

FINANCIAL TIMES

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Thursday October 10 1985

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Belgian elections:
power without
glory, Page 19

World news

Business summary

PLO persuades ship hijackers to surrender

U.S. wants Moscow to clarify arms offer

The U.S. Government is seeking further details of the Soviet Union's proposal for a 50 per cent cut in strategic nuclear weapons, before giving any formal response, Nato ambassadors were told in Brussels by Paul Nitze, President Reagan's special adviser on the arms negotiations.

Nitze's briefing in Brussels and later in Bonn, is to be followed by a full meeting of the Nato Council on October 15 which will be attended by U.S. Secretary of State George Shultz.

Washington is attempting to reinforce the solidarity of the Nato alliance in the wake of the Soviet initiative unveiled by Mikhail Gorbachev in Paris last week, and before the Reagan-Gorbachev summit in November. Page 3

VW plans Brazilian car sales in U.S.

VOLKSWAGEN OF AMERICA, U.S. subsidiary of the West German motor group, is planning to launch a low-cost Brazilian-made car in a move expected to intensify growing competition in the low-cost end of the U.S. market. Page 20

WALL STREET: The Dow Jones industrial average closed up 1.23 at 1,326.72. Page 42

LONDON: Leading equities proved resilient despite oil trading and interest-rate worries. The FT Ordinary index closed 0.2 down at 1,001.0. Page 42

PALESTINIAN guerrillas, who on Monday seized the Italian cruise liner Achille Lauro, surrendered late yesterday bringing to an end a crisis that threatened the lives of more than 500 passengers and crew, wrote Tony Walker in Cairo and James Buxton in Rome.

The resolution of the crisis was clouded by confirmation last night by Sig Bettino Craxi, the Italian Prime Minister, that a U.S. citizen was missing. The passenger was identified as Mr Leon Klinghoffer, but no other details were given.

Sig Craxi said that officers on board thought he may have been thrown into the sea after being killed.

The four hijackers were persuaded to surrender by representatives of the Palestine Liberation Organisation (PLO), acting on behalf of its chairman, Mr Yasser Arafat.

But later, Mr Salah Khalaf, also known as Abu Iyad, the PLO chief's closest aide, demanded that they be sent to Tunis, the site of Mr Arafat's headquarters.

The end of the crisis, which involved Western governments, Egypt and the PLO leadership in desperate diplomatic efforts to resolve it, was announced by Dr Esmat Abdel Meguid, Egypt's Foreign Minister. He said: "The hijackers of the Italian ship have surrendered. They will leave Egypt. They are four. And the Italian vessel will head towards Port Said harbour."

The heavily armed guerrillas commandeered the ship while it was en route from the Egyptian port city of Alexandria to Port Said. The hijackers threatened to blow up the ship and kill the passengers, starting with Americans, if their demand for the release of 50 Palestinians held in Israeli jails was not met.

Central in the negotiations was Mr Abu Khalaf, evidently a leading member of the Palestinian Liberation front (PLF), one of whose factions claimed responsibility for the piracy. There was no confirmation that this mysterious figure, or indeed any of the hijackers belonged to the main group of the front owing allegiance to Mr Arafat.

Abu Khalaf was believed sent by Mr Arafat to mediate an end to the hijacking which has caused serious embarrassment to the PLO which is presently involved in an attempt to revive the stalled Middle East peace process.

Abu Khalaf worked with Egyptian officials and PLO representatives as a member of a special negotiating team to secure the release of the ship.

Israel has charged that those responsible for the hijacking are members of a faction of the PLO loyal to Mr Arafat and that the operation was carried out under the direction of Abu Iyad, an Arafat supporting member of the executive committee of the PLO.

Abu Iyad heads a breakaway faction of the Palestine Liberation front and is believed based in Tunis, headquarters of the Arafat main stream Fatah group.

PLO leaders, including Mr Arafat, have vigorously denied they had anything to do with the hijacking.

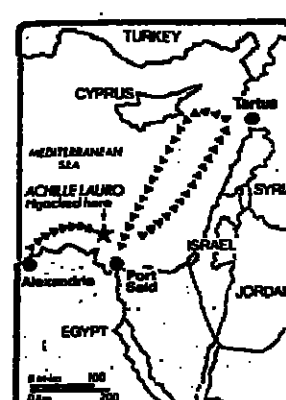
Pro-Arafat Palestinian sources are saying the hijackers' organisation was based in Syria and that banished Damascus-based former leaders of the PLF were responsible.

They named the PLO's negotiators responsible for bringing the hijack crisis to an end as Hani al-Hassan, a close Arafat aide, Abu Iyad, leader of the pro-Arafat-PLF, and PLO Cairo representative Zohdi al-Qudra.

Dr Meguid said: "There are no surrender conditions. All I can say is that they have surrendered. Our information makes it clear there are no killings or injuries among the passengers."

Egypt's Foreign Minister said the hijackers gave themselves up to a representative of the PLO. "There were no negotiations in the sense of negotiations," he said. "They have simply surrendered to the PLO representative."

Dr Meguid said Egypt, which denounced the hijack from the start, did its utmost to save the lives of the passengers and "we have succeeded."



After the hijackers commandeered the Achille Lauro on Monday they forced the crew to sail towards Syria, but were refused permission to enter Syrian territorial waters. The ship then turned back towards Egypt and took up a position just before dawn yesterday 15

Continued on Page 20

Greenpeace test

The protest ship Greenpeace raised the stakes in a battle of nerves with French warships in the South Pacific by sailing within 200 metres of a forbidden zone around France's nuclear test site.

Tutu bomb threat

A bomb hoax forced Nobel peace laureate Desmond Tutu and dozens of worshippers to leave Johannesburg cathedral during a national day of prayer for South Africa.

Dutch withdraw

The Netherlands will withdraw from the United Nations peace-keeping force (Unifil) in southern Lebanon because of growing physical danger and the belief that Israel is undermining Unifil's "buffer" role. Page 5

Frankfurt protest

More than 2,000 people marched through Frankfurt before attending the funeral of an anti-Nazi demonstrator who was killed 10 days ago.

Puerto Rico plan

The Puerto Rican administration is to ask the federal Government in Washington for emergency funds to rehabilitate areas around the southern city of Ponce which were devastated by mud slides caused by heavy rains. Page 4

Party leader quits

Portuguese Christian Democrat leader Francisco Lucas Pires resigned. The party's share of the vote in Sunday's general election dropped to 0.4 per cent.

Dhaka students clash

Four students were killed and at least 50 injured in a clash between pro and anti-Government groups at a polytechnic institute in Dhaka, capital of Bangladesh.

Iraq frees 55

Fifty-five Iranian prisoners freed by Iraq arrived in Ankara, Turkey, en route to Tehran. Iraq said its air force had again raided Iran's Kharg oil field terminal.

Arafat invitation

Palestine Liberation Organisation leader Yasser Arafat could be invited to address the UN General Assembly later this month, according to a draft resolution circulated in the assembly and likely to be adopted.

Kremlin drive

The Kremlin launched a programme to boost the quality and quantity of goods and services offered to Soviets by the year 2000. Page 2

Beaujolais hiccup

Beaujolais nouveau will be six days late this year but the 1985 vintage is said to be one of the best ever. The wine will be released on November 21 instead of the previously fixed date of November 15.

Lawson hints at cut in UK income tax rate

BY PETER RIDDELL IN BLACKPOOL

MR NIGEL LAWSON, Britain's Chancellor of the Exchequer, yesterday hinted that the basic rate of income tax might be cut for the first time since 1979 in addition to a rise in tax thresholds.

Earlier, in a speech to the Conservative Party annual conference in Blackpool, he said that it was "the first importance to reduce still further the burden of income tax."

He argued that ordinary people were paying too much tax and that excessive income tax was bad for incentives, enterprise and jobs.

Some of Mr Lawson's advisers believe there are electoral as well as economic advantages in reducing the basic rate of income tax, now 30 per cent, in either the 1990 or 1991 budgets or both.

Mr Lawson said a decision had been taken on either the scale of the tax cut or the date of its introduction in his budget next spring or on the form they might take. This would depend both on the future level of public spending agreed this autumn and on economic growth prospects.

Earlier, Mr Lawson had told the conference that Britain's annual inflation rate should decline to below 4 per cent by the middle of next year from just over 6 per cent now. This estimate compares with the budget forecast last March of a 4 1/2 per cent rate in mid-1986. Mr Lawson said that inflation was coming down fast and should be close to 5 per cent by the end of this year.

In a robust defence of his economic strategy, Mr Lawson promised no surrender of ground won since the Conservatives returned to power in 1979.

He claimed that the British economy was doing "very well indeed" and said a firm foundation had been laid for a Tory general election victory in 1988.

Mr Lawson made only a passing reference to monetary policy, which he will discuss more fully in a speech to bankers in London next week. He only noted that the recent Group of Five agreement had, so far as sterling is concerned, "brought about a more sensible pattern of exchange rates generally."

Later, he said there had been no change in the British view about joining the European Monetary System, which was that it was "best to stay where we are," though he had no objection in principle to full membership.

He said that in the next parliament the Government proposed to reform the structure of income tax following the publication of the already foreshadowed Green Paper (policy document) possibly by the end of this year.

Conference reports, Page 13; Editorial comment, Page 18

Computer guide to tax avoidance

BY CLIVE WOLMAN IN LONDON

ACCOUNTANTS Touche Ross International yesterday launched a service which puts international tax avoidance on the computer.

The system brings into the open a simmering dispute between tax agencies and multinational companies about their use of "tax shopping," the principle on which the Touche Ross service is based.

The U.S. Internal Revenue Service has recently been attacking this form of tax planning and has inserted clauses in tax treaties outlawing its use. Mr Terry Brown, Touche Ross's international director of tax services, said however, that he believed that most countries would accept treaty-shopping as being necessary to encourage inward investment.

Touche Ross's computerised network includes a data base covering the tax rates and rules of 185 countries and more than 800 international tax treaties.

The service is designed to advise companies on the most tax efficient way of planning their international operations. In particular, it indicates the best way of repatriating profits and income from overseas operations by exploiting international tax treaties through the routing of money via subsidiaries set up in intermediate countries.

One example analysed by the microcomputer-based system was of a UK company receiving income in the form of interest from Brazil, Belgium, Italy and South Korea. In the absence of any tax-planning, gross income of £19.5m (£27.5m) would be reduced by tax to £15.8m. The system suggests, however, that the after-tax income received by the UK parent can be boosted to £17.8m by passing the income from Brazil and Italy through a subsidiary set up in West Germany and the income from Belgium and South Korea through a Netherlands subsidiary. In addition, the income from Korea should be passed through another subsidiary in Finland before flowing through West Germany.

A computer print-out also details other routes for repatriating income which, although slightly less tax efficient, may be more suited to the operations of a particular multinational.

CGT action at Renault spreads to other plants

By Paul Betts in Paris

CAR PRODUCTION at Renault's large assembly plant at Billancourt in Paris was halted yesterday as France's Communist-led CGT union extended its labour conflict against the troubled French state-owned car group.

CGT militants continued for the second consecutive day to occupy Renault's car parts and tractor manufacturing plant at Le Mans and sought to disrupt production at all other French plants of the state group.

The conflict is now being regarded as the most serious confrontation between the CGT and its Communist Party ally and M Georges Besse, the new chairman of Renault, who is trying to cut the car group's losses through a major restructuring programme. It is also seen as a broader attempt by the CGT and the Communist Party to undermine the Socialist Government in the wake of the Socialist Party Congress this weekend and before the general elections next March.

The conflict started with the occupation on Tuesday of the Le Mans plant, which employs about 7,500 people, by union members protesting against Renault pay policies. Yesterday it spilled over to Billancourt, where production of the Renault R4 and Renault Super-5 minis was blocked. Billancourt employs about 15,000 people with about 10,000 on car assembly activities.

Continued on Page 20
Tractor unit launch, Page 20

Pretoria accuses banks of forcing credit standstill

BY PETER MONTAGNON IN SEOUL

MR BAREND Du Plessis, South Africa's Finance Minister, has accused banks whose withdrawal of credit provoked the current payments standstill on his country's debt repayments of being "precipitate" and "opportunistic."

South Africa had for some time been applying relatively restrictive monetary and economic policies and had a balance of payments surplus of \$2.5bn, he told the International Monetary Fund annual meeting.

It was forced into the credit standstill by a sudden large withdrawal by some foreign banks of short-term credit facilities previously extended to domestic banks and other business enterprises.

"The inter-bank market and the international banking and monetary system as a whole are now more vulnerable than they have been for some time to disruptive influences, including precipitate actions by opportunistic individual banks," he said.

His remarks brought into the open the tension over South Africa which has been seething in the background of the IMF meeting. While serious talking on debt avails the meeting of creditors in London called for October 23, the air has been full of private grievance.

Warning that trade sanctions which prevented South Africa exporting would make the problem worse, Mr Du Plessis also said: "Its ability to meet its international financial commitments in the immediate future will depend in large measure on its ability to continue to expand its exports."

Continued on Page 20

Ratings cut at two banks in Canada

By Bernard Simon in Toronto

THE CANADIAN Bond Rating Service has lowered the credit rating of two banks amid continuing concern about the stability of some of the country's small banking institutions.

Canadian Bond Rating Service said that Continental Bank and Mercantile Bank, the seventh and eighth largest banking groups, were having difficulty in generating adequate returns on assets and equity.

CBRS has downgraded the rating on both banks' debentures and preferred shares. It has, however, raised its rating on preferred shares of the country's sixth largest bank, the Montreal-based National Bank of Canada.

Concern about the ripple effect of last month's failure of two small Alberta banks is widespread. Senior bankers in Toronto are reluctant to discuss the current problems in the banking industry, and a judicial inquiry is under way into the collapse of the two banks. Mr Terry Shanahan, banking analyst at Merrill Lynch Canada, said: "You've got a lot of nervous people out there and a very fragile market."

The six largest banks recently formed a secret support group to help maintain Mercantile's liquidity following the bank's difficulty in finding deposits in the money market.

Securities analysts expect Mercantile and Continental to post a return on equity of between 5 to 6 per cent this year, compared with an average of about 12 per cent recorded recently by the six largest institutions.

Merrill Lynch 'to take up SCM option'

By William Hall in New York

MERRILL LYNCH, the big New York brokerage firm which is backing a management buyout of SCM, the New York conglomerate, has launched its counter-attack to Hanson Trust's hostile \$75 per share offer and said that it will buy the company's two most valuable assets for \$450m.

SCM said yesterday that it had received written notice from Merrill Lynch that it intends to exercise its option to purchase SCM's pigments and consumer foods business and intends to complete the deal by October 18. The move was seen on Wall Street as a last-ditch effort to force Hanson to drop its bid for SCM.

Sir Gordon White, chairman of Hanson's North American interests, said yesterday that he was "shocked that Merrill Lynch would attempt to exercise the 'crown jewel' options and thereby deprive SCM shareholders of the opportunity to receive \$75 a share in cash for their stock."

He reiterated that Hanson has no intention of tendering its shares un-

Continued on Page 20

AIR FRANCE TO SOUTH AMERICA: 11 WAYS TO WING YOUR WAY IN STYLE



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EUROPEAN NEWS

Kiel points Kohl on primrose path to jobs

BY PETER BRUCE IN BONN

IF Chancellor Helmut Kohl, the West German leader, were to go on television today and promise (and he believed) that he could cut unemployment in the country by half over the next five years then he would win the general election he faces in January 1987.

Anything that simple, however, has to involve a trade-off of Faustian proportions and, indeed, Mephistopheles appeared here yesterday parading as the Institut für Weltwirtschaft (IWW), Kiel University's economic research unit and one of the country's "big five" economic institutes. All the Chancellor has to do, the IWW said, is cut state subsidies by 50 per cent and he presto, jobs.

The devil made an impressive case. West German subsidies (federal, Länder and municipal totals combined) to industry

this year are not DM78.5bn, as stated in the government's annual subventionsbericht, but DM 121.5bn (£32bn). The IWW accuses the Government of not including in its subsidy report monies paid out by the Technology Ministry to companies for research into new products.

The funding of the state-owned Bundesbahn (railway) is not included, tax breaks worth DM 1.8bn are missing from the report, and agricultural subsidies paid through the European Community, to which Bonn is a major contributor, are also not included.

Subsidies, said the Institute, hurt West German companies (and their workers) that are not funded but that have to compete with those that are. Remember the collapse of Herr Willy Korf's private steel empire, said Kiel, and remember that its competitor, Arbed

Saarstahl (subsidies so far DM 3bn) is still alive and as inefficient as ever.

Subsidies are ultimately paid by taxpayers, said the Institute, and cutting them would put more money in people's pockets. The people would spend money if they had it and the subsequent demand would create thousands of new jobs.

Worse still, Kiel claimed that on average subsidies lowered the cost of creating jobs by about 10 per cent but cut the cost of new capital investments in half. Therefore, a subsidised undertaking would be more likely to buy new machines rather than employ more workers.

Of course, cutting state payments would mean jobs in some sectors would have to go. Agriculture and forestry would have to shed 163,000 jobs, or 10.7 per cent of their total. The

coal industry would have to lose 31,000, or 15 per cent. But, claimed the Institute, about 100,000 new jobs could be created in the textile and clothing industry, along with service sectors. A 50 per cent subsidy cut would also create 271,000 new jobs in what the men from Kiel called "other manufactured products."

And, says the Institute, if the Chancellor were to cut subsidies by DM 60bn, he could also cut corporate and income taxes by the same amount — all in, a 30 per cent tax cut over and above the two part DM 20bn tax reform that Bonn is planning.

Kiel's problem, however, is that the Government is not quiet happy where it is for the time being. True, the fact that subsidies have risen under the present Conservative coalition,

despite ringing election promises to the contrary, is embarrassing, but dramatic cuts based on untried predictions just ahead of an election simply go against the Government's cautious grain.

In any case, Herr Kohl could point out to Kiel that its estimates of state subsidies have always been higher (the IWW would say more comprehensive) than the other four big economic institutes.

What he would find difficult to deny is that public funding in West Germany is deeply ingrained and could not really be tackled seriously without generating massive structural change—from small local communities, through the individual Länder to the federal government, and from the smallest companies to giants like Siemens—in the way business is done here.

James Buxton in Rome tries to go to Milan
No shows and go slows cloud
Italian high flyers' progress

"EVERY TIME I arrive in Milan from Rome I feel a sense of achievement, almost as if I'd got to the top of a mountain."

The speaker is a Rome businessman who travels once or twice a month between the two cities. With Rome the political capital of the country and Milan the financial centre, Italy has a problem that Americans, with Washington and New York, or Brazilians, with Brasilia, Sao Paulo and Rio de Janeiro, know all too well.

Milan businessmen are far more dependent on political decisions taken in Rome than they readily admit and come to the capital in waves to lobby politicians or call on the headquarters of state companies and multinationals. Even Romans have to venture north sometimes.

But how? The fastest train covers the 394 miles in five hours 45 minutes, when it is on time. By car you have to allow six hours—and that's if there isn't fog near Milan or ice on the spectacular stretch of autostrada across the Apennines between Florence and Bologna.

Most businessmen—1.5m of them this year—go by air. There are 20 Alitalia flights each way every day and the journey takes 50 minutes. Yet it is a trip riddled with uncertainties. The first problem is making a reservation. Unless you book several days in advance you cannot usually get on the peak-time morning and evening flights. For the rest of the day, of course, there is little difficulty.

Then there is the question of whether the aircraft will actually be able to land at Linate airport, which is only 15 minutes' drive from the centre of Milan. Linate is easily the foggiest major airport in Europe, with no less than 200 hours of zero visibility a year.

Even if you can make a reservation and visibility in Milan is perfect, things can still go wrong. There can be 12-hour or 24-hour strikes by almost any group from air traffic controllers to luggage handlers, though it should be said that this year has been relatively strike-free.

Or you can just have a bad trip: the flight may be delayed leaving Rome (explanations are rarely offered); air traffic congestion may keep it circling above Milan; then, having landed, passengers may have to stay on-board—the aircraft

because there are no steps and no buses to transport them to the terminal. The trip can easily take five hours from city centre to city centre.

Not all these problems are the fault of Alitalia. But the man who has to wrestle with them is Sig Ferruccio Favolini, the airline's head of operations and maintenance. "It is very difficult to balance supply and demand on a route like Rome-Milan," he says. "The level of traffic varies enormously according to the time of year, the day of the week and the time of day. Everyone wants to go at peak times."

Why isn't there a shuttle 200 metres horizontally and 30 feet vertically. Unfortunately the system is still not in operation. Last year it was plagued by interference from a private TV station in the Milan area. The interference has now disappeared and AAV, the Italian air traffic control authority, is near to completing the necessary four months of tests before the system can be pronounced operational.

Alitalia pilots, except those on the older DC-8s, now being phased out in favour of MD-80s, have been trained to use Category Three. So could it be that this winter the fog problem,

which of course affects flights from the rest of Europe as well, will be a thing of the past? The answer unfortunately is no. "We calculate that Category Three at Milan will prevent only 20 per cent of diversions," says Sig Favolini. "The reason is that 80 per cent of the time, fog at Linate is far worse than the minimum Category Three standard."

So after that let-down, might the trains be worth a second look? Recently a new 33-mile stretch of the Direttissima, a brand new line between Rome and Florence, came into use, but without apparently bringing Milan much closer.

The whole of the Direttissima, started as long ago as 1970 but plagued by a stop/go attitude on the part of governments, ought to be ready by the end of the decade. By then, with new high speed trains built by Fiat and capable of doing 150 mph, it should be possible to get from Rome to Milan in about four hours. That is, when it doesn't snow.

But what about fog at Milan, the only way to operate the Rome-Milan link is to try to match supply to demand according to historical and expected traffic patterns.

But what about fog at Milan, the only way to operate the Rome-Milan link is to try to match supply to demand according to historical and expected traffic patterns.

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Hard currency trade deficit for Comecon's European members

BY DAVID SUCHAN

THE SOVIET UNION and its six East European partners in Comecon slipped into collective deficit on their hard currency trade in the first half of this year, for the first time since they recovered from their 1981-1982 recession.

A study published this week by PlanEcon, a Washington-based research organisation, says the seven Comecon countries went from a collective \$4.6bn surplus in the first half of 1984 to a \$901m deficit in January-June this year, with notable deterioration in the trading position of the Soviet Union and of two of its East European partners hitherto considered to have the most buoyant economies, Hungary and Bulgaria.

The worsening trade balance of the seven Comecon countries as a whole stemmed from falling exports to non-socialist countries, which were 16.5 per cent lower in current dollar terms in the first six months of this year compared to the 1984 level.

The PlanEcon report attributes this to a variety of factors—a 27 per cent in the volume of Soviet oil exports to the West, due to production problems, droughts hitting Bulgarian food exports especially, lower Soviet blue arms exports to the Middle East and generally lower Third World demand for Comecon

| | COMECON TRADE WITH NON-SOCIALIST COUNTRIES (\$m) | |
|----------------|--|---------------|
| | Jan-June 1984 | Jan-June 1985 |
| Soviet Union | 1,987 | -2,248 |
| Bulgaria | 330 | -44 |
| Czechoslovakia | 614 | 509 |
| East Germany | -64 | -261 |
| Hungary | 78 | -242 |
| Poland | 807 | 629 |
| Romania | 855 | 756 |

machinery and investment goods. Of the seven East bloc countries, only East Germany managed both to sustain hard currency exports, and increase imports.

The dramatic swing in Bulgaria's fortunes is due not only to the drought, PlanEcon argues, but also to a cut in the "excess" oil it has been getting from Moscow. This extra oil, excess to Bulgaria's own requirements, has given Sofia a very profitable re-export to the West in recent years.

A heavy borrower on Western capital markets, Hungary has seen its exports to non-socialist countries drop some 30 per cent in the first half of this year compared to the same period last year, without similarly reducing imports.

"The Hungarian authorities would be well advised to put some curbs on the growth of

imports before Western bankers get too nervous and once again force such an adjustment," PlanEcon comments.

Some Comecon governments have distinctly seasonal trading practices. Czechoslovakia traditionally waits to see what it has earned in hard currency in the first half of the year before deciding what to spend in the second half, while East Germany has a reverse trading cycle.

Thus, Czechoslovakia's trade balance for the full year may not be as good, nor the East German balance as bad, as the half-year figures suggest.

Poland, for its part, with a huge debt to service and few new credit possibilities, has little choice but to run a trade surplus, while Romania is piling up trade surpluses simply to repay its debt as fast as possible.

Moscow plans rise in consumer goods

BY PATRICK COCKBURN IN MOSCOW

THE SOVIET UNION has published a programme for a 30 per cent increase in the production of consumer goods over the next five years. The continuing failure of consumer goods and services to meet demand has been heavily criticised in recent years, not least by Mr Mikhail Gorbachev, the new Soviet leader.

The programme, published over the first three pages of yesterday's Communist party daily, Pravda, covers the next 15 years, projecting a 30 per cent increase in consumer goods by 1990 and an 80-90 per cent increase by the turn of the century.

The programme is officially described as providing radically more goods of high quality for the consumer and an improvement in the retail trade. The market will have greater influence "on the selection and quality of manufactured goods, adoption of modern services convenient for customers, and a reduction in the time needed to buy goods."

The services sector in the Soviet Union has lagged well behind demand taking some 10 per cent of family budgets, compared with 35 per cent in France. House and car repairs are usually carried out through the black market.

Yesterday's programme envisages higher skills for workers

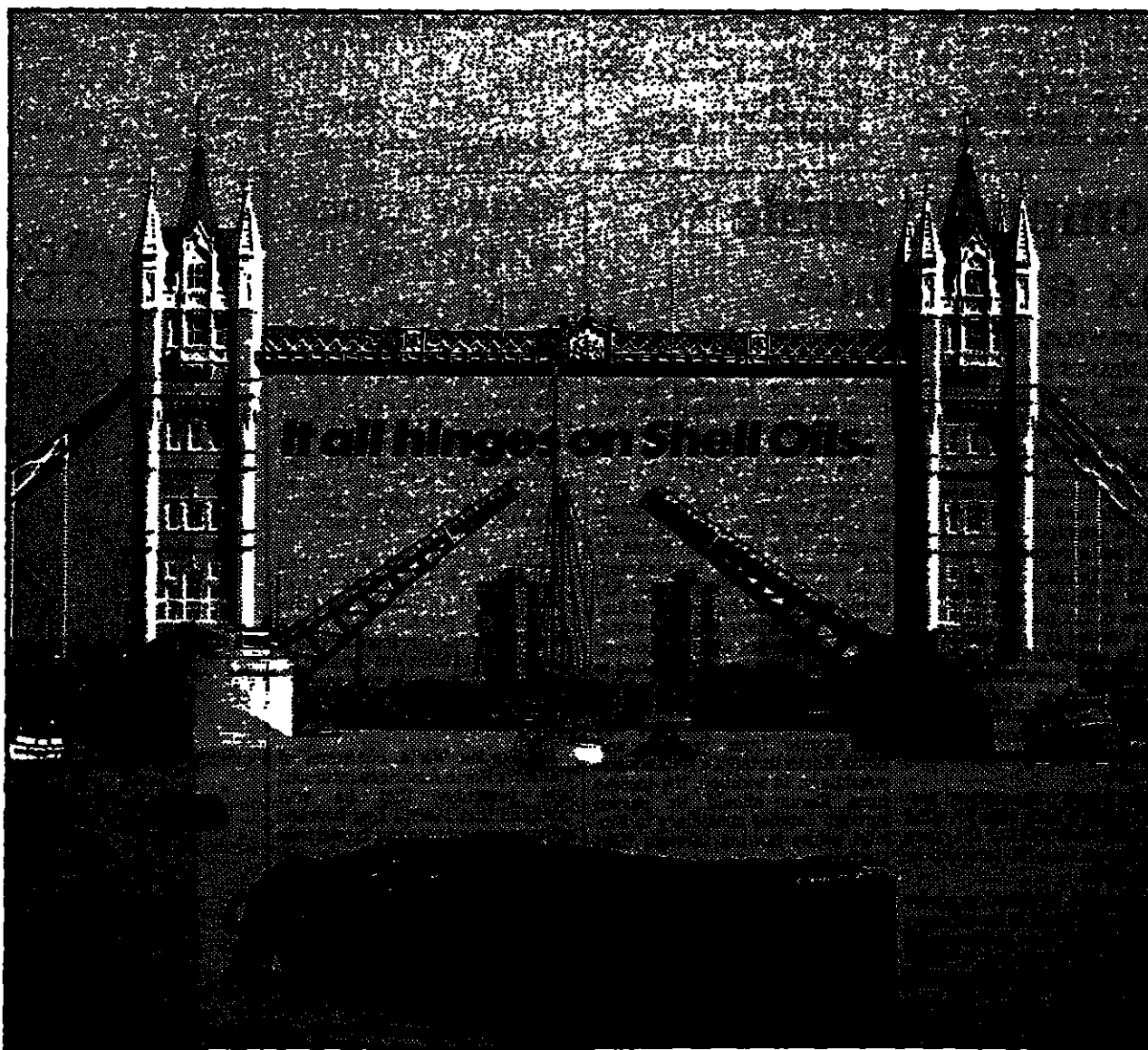
in light industry and the retail trade. Some 2.1m workers are to be retrained in vocational schools and 3.9m at work places during the next five years.

Mr Gorbachev said earlier this year that the consumer will not suffer from his plans to give priority to the re-equipment of heavy industry and the needs of defence. He added, however, that if investment, defence and consumer needs are all to be met, national income must grow by an annual 4 per cent.

The value of the output of light industry is to rise from 85bn rubles (\$78bn) today to 103bn in five years' time and 142bn by the end of the century.

An overall improvement in the quality of consumer goods, such as clothing footwear and white goods, implies increased investment in new machinery. Soviet leaders have emphasised recently that the provision of better goods in the shops and services to the consumer are a necessary part of their efforts to increase incentives as a reward for greater productivity.

The programme announced yesterday makes a point of saying that the population's demand for building materials, sanitation equipment and country cottages will be met. All have been in short supply.



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EUROPEAN NEWS

Swiss fury
over legal
muzzle
on press

SWISS newspapers reacted angrily yesterday to a court ruling which prohibited a local daily newspaper from mentioning a Geneva-based company without first consulting the company, Reuters reports from Lausanne.

M. Jean-Marie Voder, chief editor of the Lausanne newspaper, said the ruling was a "grave threat to Swiss press freedom".

The influential Neue Zürcher Zeitung said 24 Heures had been condemned to silence by the move.

The dispute began in August when 24 Heures ran an article alleging wrongdoing by a small business consulting company, Serpi SA, which demanded the publication of its reply to the charges.

The newspaper at first refused to publish the reply but backed down after legal wrangling.

Notified that a second article was being prepared, Serpi went to court and in an unprecedented move, Geneva's Municipal Tribunal ruled that until further notice the newspaper would not be allowed to print anything further about Serpi before submitting both text and headline to the company.

It was the first use of a new law passed by parliament last year guaranteeing a right of reply under a broader interpretation of press freedom and individual rights.

Last Saturday's edition of 24 Heures carried a partly blank front page with the headline "Censored" in response to the ruling.

Most Swiss newspapers reacted slowly but yesterday a wave of outrage swamped news-stands.

The Neue Zürcher Zeitung said the journalists affected did not criticise the new law but the power it gave legal authorities to muzzle a newspaper pending a final court ruling.

M. Voder said a separate case on the actual contents of the 24 Heures article and Serpi's objections was also seen and could take months if not years.

NITZE IN EUROPE TO BRIEF U.S. ALLIES

U.S. wants arms offer clarified

BY QUENTIN PEEL IN BRUSSELS

THE U.S. Government is still seeking further details of the Soviet Union's proposals for a 50 per cent cut in strategic nuclear weapons, before giving any formal response. Nato ambassadors were told yesterday.

Mr Paul Nitze, President Ronald Reagan's special adviser on the arms negotiations, flew to Brussels and then to Bonn to give what he described as a "full exposition" of the U.S. understanding of the Soviet plan, publicly unveiled by Mr Mikhail Gorbachev, the Soviet leader, in Paris last week.

His briefing is to be followed by a full meeting of the Nato Council on October 15, attended by Mr George Shultz, the U.S. Secretary of State, in what is clearly an attempt by the Reagan administration to reinforce the solidarity of Nato allies in the wake of the Soviet initiative, and in advance of the Reagan-Gorbachev summit in November.

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PRESIDENT Francois Mitterrand will pay a one-day visit to West Berlin today to underscore France's commitment to the Western allied enclave only a week after he conferred in Paris with the Soviet leader. Mr Mikhail Gorbachev, writes Leslie Collitt. France maintains some 2,500 troops in West Berlin, along with British and U.S. contingents, and guards jealously its occupation rights in the city. French Presidents, however, were reluctant to visit West Berlin until M Valéry Giscard d'Estaing came in 1975.

Plans for the unscheduled Nato council meeting, expected to be attended by a majority of the 16 foreign ministers, were announced yesterday. It follows a call last week by Mr Leo Tindemans, the Belgian Foreign Minister, backed by the Netherlands, for proper consultation of all Nato allies before the summit.

Mr Nitze's briefing yesterday was also presented as "part of the continuing process of consultation" leading up to the Reagan-Gorbachev talks. In it, he stressed the questions still being asked by the U.S. negotia-

tors in Geneva, and clarified some of the details already advanced by the Soviet side.

He told a news conference later that while the proposal for a 50 per cent cut in nuclear weapons was "positive" on the face of it, the fine print was less so.

He stressed in particular that: "The 50 per cent cut referred to nuclear weapon delivery systems, and not to warheads themselves."

The Soviet proposal would seek to reduce U.S. capacity in both inter-continental and intermediate-range missiles by half, while only affecting Soviet inter-continental missiles.

There was continuing uncertainty about the Soviet attitude to research into space-based weapons, as opposed to the development and manufacture of such weapons.

Mr Nitze also revealed that the Soviet proposals would seek to set a "sub-ceiling" on nuclear "charges" (including both missile warheads and nuclear gravity bombs). This would mean that a maximum of 60 per cent of such charges could be deployed by any one leg of the three delivery systems—submarines, aircraft or ground-based missiles.

"Many parts of their proposals do differ from past positions," Mr Nitze said. "It is important to look at the fine print that surrounds this before one can indicate whether in their present form they are positive."

The Government here is still elaborating its own position on the Gorbachev proposals. Mr Paul Nitze, yesterday met Chancellor Helmut Kohl, who will examine the issue further today when he accompanies M Mitterrand on a visit to West Berlin.

Commission takes
bite out of EEC
butter mountain

BY IVO DAWNAY IN STRASSBOURG

AN EMERGENCY programme for disposing of thousands of tonnes of surplus EEC butter won the endorsement of the European Commission yesterday. However the Commission ruled out any further half-price sales at Christmas because their high costs had not been justified by sales increases averaging only 20 per cent.

Outlining the new scheme yesterday, Mr Frans Andriessen, the farm commissioner, said that stocks of butter, beef and cereals had reached "unacceptable" levels that demanded urgent action.

Of the 1m tonnes of butter in store, 450,000 tonnes were more than 18 months old, and 200,000 tonnes were more than two years old and had degenerated to little more than fat. The new measures will allow the Commission to sell substantial quantities of old butter to pastry-makers, the cooking industry and to housewives for use in cooking.

The controversial plan to use the oldest stock to boost feed for veal calves has also been authorised. The commissioner defended the disposal as using only stocks now unfit for human consumption.

The exploration of Asian markets for cheap price sales of butter oil would also continue, he said. The Commission is also to look at new measures to reduce the 800,000 tonne beef mountain and cereals stocks now nearing 15m tonnes.

The cost of the butter-for-cooking scheme is expected to

run into millions of Ecu as sales will attract price subsidies of Ecu 224 (124) per 100 kg. This has to be compared, however, to the Ecu 400 it costs annually to keep a tonne of butter in store.

Mr Andriessen said the butter measures were consistent with the EEC's obligations to other world producers under the General Agreement on Tariffs and Trade. But he conceded that disposal of beef and cereals at reduced prices might run into trade problems.

Cost of the moves could be contained within the 1985 farm budget, but a question mark remained over next year. Low world commodity prices and the fall in the value of the dollar in which most farm products are traded meant that the farm budget was coming under serious pressure.

Britain's contributions to the EEC will be reduced by a further Ecu 264m (£158m), making a new total of Ecu 1,640m for 1986 when details of the new Community budget are completed. The upward revision of the UK's abatement was announced by Mr Henning Christophersen, the budget commissioner, at the presentation of the budget proposals to the European Parliament yesterday.

He explained that an underestimate of the UK's payments of VAT contributions to Brussels this year had led to the lower calculation under the arrangements devised at last year's Fontainebleau summit.

Spanish
inflation
rate slows

A SIGNIFICANT slowdown in Spain's inflation rate has been confirmed by a 0.2 per cent increase in the official consumer price index for August. David White reports from Madrid. This brings the rate over a 12-month period down to 7.3 per cent, and strengthens the Government's hopes of keeping it down to 8 per cent at the end of the year, and reducing the inflation gap between Spain and the EEC average.

It follows the unexpectedly low rate of 9 per cent last year, the first time it had come out of double figures since before the end of the Franco era.

Italy hit by strike
Workers all over Italy staged a two-hour general strike yesterday in protest against the 1986 Finance Bill which the unions say will harm workers and the less well-off. James Euxton reports.

In many cities, most buses stopped running for two hours and government offices and banks were shut for a time. But industry was less badly affected.

Leader steps down
Sr Francisco Lucas Pires is to resign as leader of Portugal's Christian Democrat party, writes Diana Smith in Lisbon. He is the first major political casualty of Sunday's general election that delivered a stinging blow to the once popular Socialists and cut the Christian Democrats' share of the vote to 8.4 per cent from 14 per cent in 1980. He has led the CDS since 1983, and leaves the party tumbling for a more relevant role in Portuguese politics.

SPD welcomes proposals by Gorbachev

BY RUPERT CORNWELL IN BONN

WEST GERMANY'S opposition Social Democrat (SPD) party has given a broad, if qualified welcome to the latest Soviet arms reductions proposals, and urged Britain and France to take up Mr Mikhail Gorbachev's proposal of separate talks on medium-range missiles.

Its first formal reaction came in an eight-point statement, which described its basic proposition, of a 50 per cent cut in strategic weapons against a ban on space weapons, as a

"compromise" taking equal account of the "interests and prestige of both sides."

The party did not conceal its view that any serious negotiations would be a very lengthy process. But if President Ronald Reagan and Mr Gorbachev were to reach a basic understanding at their forthcoming summit in Geneva, the SPD stressed the need for a freeze on nuclear arsenals at their current level, and an immediate halt to warhead and

space weapons test programmes. It further underlined its long-term goal of a drastic reduction of Soviet SS-20 rockets aimed at Western Europe, and the withdrawal of Nato Pershing II and cruise missiles.

The Social Democrat leadership made no reference to the refusal already of President Francois Mitterrand to discuss cuts in France's nuclear arsenal, and the exceedingly guarded response from London.

Instead, it argued that direct talks could help end the arms race in "Euro-strategic weapons," and better safeguard the specific security interests of Europe.

The Government here is still elaborating its own position on the Gorbachev proposals. Mr Paul Nitze, yesterday met Chancellor Helmut Kohl, who will examine the issue further today when he accompanies M Mitterrand on a visit to West Berlin.

Athens taxi drivers pull up in the hope of a much bigger fare

BY ANDRIANA HERODIACONOU IN ATHENS

FOR THE third time in a month, Athens's 15,500 yellow taxis are on strike this week, demanding Transport Ministry approval for a substantial increase in fares. Taxi drivers in the provinces are joining in during the last two days of the four-day strike, which began at 3 am on Tuesday.

Last week, the Attica Union of Taxi Drivers took the unusual step of inviting foreign correspondents, along with their Greek colleagues, to a news conference for the express purpose of apologising in advance to foreign tourists and the local

public for the inconvenience caused by the strike.

This was an unaccustomed show of consideration, from a professional group which in Greece is hardly distinguished for its politeness. In Athens, especially, the relationship between the public and taxi drivers can best be described as love-hate.

No resident of the capital has been spared the indignity of teetering on the edge of a pavement during the rush-hour, desperately trying to woo taxi drivers, lean of profile and disdaining of manner, into stop-

ping for a fare, rather than going home for their siestas.

Drivers who know less about Athens's geography than a newly arrived tourist who has spent half an hour with a basic map are an equally common occurrence, as no street test is required for a licence. Refusal of fares because the destination does not suit the driver, or ignoring a first passenger's approval in picking up second or third passengers are added aggravations.

On the other hand, extremely cheap fares allow Athenians to use routinely a means of trans-

port which is a luxury elsewhere in Western Europe. This is just as well, given the inadequacy of public transport to service the capital's 3.5m or so inhabitants—over a third of the total population of Greece. The fact that taxis plug the holes in the public transport system accounts, in the drivers' view, for the Government's reluctance to grant substantial rises in fares.

Taxis are being used as mini-buses. We have the highest running costs and the lowest fares in Europe," Mr Pantourakis said. He pointed

out that, with a minimum fare of Dr 80 (42p), against a unified bus or trolley fare of Dr 30 per person, it is often cheaper for a party of three or four to take a taxi rather than public transport.

As with every other issue in Greece, the taxi drivers' conflict with the Government has its political angle. Though the Attica union officially rejects the view that the dispute has anything to do with the Socialist Government, many drivers believe that that is what their problems are all about. They

like to remind journalists of a decree issued by the Government two years ago—which was promptly and universally ignored—prohibiting drivers from talking politics on the job.

"They know that we all started off pro-Socialist, and that now, with rising costs, we're all very anti. Don't kid yourself—everything is political in Greece," one taxi driver declared in his cab last week. All the passengers in the taxi were too grateful that he had stopped to take them on to argue.

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Hopes rise for budget solution

By REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE U.S. Senate yesterday appeared finally to be on the way out of a five-day deadlock that has blocked the flow of fresh funds to the Government and brought the U.S. Treasury to the verge of technical insolvency.

With a Senate vote to extend the Government's borrowing authority expected later in the day, the Treasury went ahead with an auction of \$50m in Treasury bills to replenish its coffers, on the assumption that the measure would pass.

Legislation officially raising the national debt limit from \$1.8 trillion (thousand billion) to just over \$2 trillion has been held up by a fierce Senate fight over accompanying measures to mandate a step-by-step plan to eliminate the federal deficit by the beginning of the 1990s.

The Treasury said that if by any chance the debt limit were

still not formally increased by Congress later in the day, it would take the unprecedented step of using the borrowing authority of the federal financing bank (FFB) to back its bill auction.

The FFB is an arm of the Treasury Department that raises money for so-called off-budget items, like financing housing programmes and some independent agencies. In New York, the Federal Reserve said that even if FFB authority was used, the bills would still be "regular treasury bills."

Optimism was rising on Capitol Hill, however, that the crisis was finally on the way to resolution. After a 9 am agreement, Mr Robert Dole, the Republican majority leader, said that the Senate would vote first on rival Democratic and Republican plans for reducing the budget deficit and then

pass a short-term increase in the debt ceiling large enough to last until October 17.

The House of Representatives was ready to follow suit yesterday afternoon as soon as the Senate acted.

The Republican Budget plan, which aims at eliminating the deficit by fiscal 1991, which starts in October 1990, was expected to be overwhelmingly adopted by the Republican-led Senate. The plan would reduce the deficit, estimated at \$180bn in the current fiscal 1986 budget year, by \$38bn a year, with provision for automatically ordered presidential spending cuts if the limits were thought likely to be exceeded.

The Senate row erupted when the Republicans tried to hurdle their plan through by attaching it to the urgently needed debt ceiling legislation. The Democrats argued that the

move left no time for debate, or the preparation of their own alternative budget plan.

The Democratic proposal would eliminate the deficit one year earlier, by fiscal 1990, and include minimum taxes on corporations and wealthy individuals, which the Republicans oppose.

The short-term extension of the debt limit was intended to give time for a debate of both plans in the Democrat-controlled House — taking account of the coming four-day weekend recess for the Columbus Day holiday.

Some Democrats have charged the Government of threatening default only to add to the pressures for the passage of the Republican plan. The Treasury could always find more money if it had to, they argued, a claim that seemed to be borne out by yesterday's Treasury auction.

Symbol of sovereignty a hard act to follow

By Hugh O'Shaughnessy

GORDON JEWKES is a financial man, not a political man like Rex Hunt whom we've got now," one local commentator when he heard of the appointment of the new Governor and Commander-in-Chief of the Falkland Islands, who leaves today to take up his post.

Mr Jewkes, 53, disagrees. "I'm no less political than Sir Rex," he says, citing his position as British Consul-General in Chicago during the Falklands war. "I was constantly on radio and TV in the States putting forward the British position," he said.

Mr Jewkes will, he knows, be inheriting a difficult task. Sir Rex, his predecessor, was a symbol to the islanders of British sovereignty restored. Governor at the time of the Argentine invasion, he had to surrender to General Galtieri's forces and was bundled off the islands. Later he returned triumphantly in the wake of the task force.

Mr Jewkes will have to make his own legend. Speaking in London before his departure, he acknowledged that with a new constitution in force in the Falklands and an eight-person legislative council elected last week, the post of governor has fewer powers than before.

But the difficult task remains of co-ordinating the rules of the military garrison and the civilians, and finding a way to accommodate those who want to modernise the economy and those who are still attached to the traditional sheep ranches.

Mr Jewkes's early experience should come in useful. He joined the Colonial Office straight from school and during national service was commissioned in the Royal Air Force Ordnance Corps. Before

U.S. debt move provides fillip for co-financing

By PETER MONTAGNON IN SEOUL



Rothberg: worries

| CO-FINANCING CONTRIBUTIONS SINCE 1983 | |
|---------------------------------------|--------------|
| Contributor | Amount (\$m) |
| WORLD BANK | 132.6 |
| COMMERCIAL BANKS: | |
| Japan | 612.8 |
| Middle East and Arab Consortia | 107.8 |
| UK | 106.4 |
| France | 84.6 |
| U.S. | 80.9 |
| Germany | 34.4 |
| Others | 238.5 |
| Total | 1,518.9 |

Source: World Bank.

THE U.S. proposals for alleviating the Third World debt crisis herald a boost for the World Bank's efforts to arrange co-financing loans with commercial banks to channel funds to developing countries, bankers believe.

The bank has had a pilot scheme in operation for two years during which it has participated with commercial banks in \$1.5m worth of loans. Its annual reports show. The figures do not include the recent \$300m deal for Chile, half of which was guaranteed by the bank and a similar operation already announced involving \$45m for Uruguay.

Senior U.S. Treasury officials singled out the co-financing concept at Press briefings following the launch of the U.S. initiative by Mr James Baker, Treasury Secretary. But they said that the possibility that the World Bank will guarantee commercial bank loans should be used "selectively and carefully."

Basically, the co-financing schemes launched by the Bank so far can work in three different ways. The Bank can either:

1. Guarantee part of the loan, especially in the final years leading to maturity. The guarantee applies to principal only and means the creditor bank can be sure of being repaid but they have to pay the World Bank a fee for the service which reduces their return.

2. Participate directly with commercial banks in a syndicated loan in the Eurocurrency market. In this case the bank ranks alongside other creditors, though its participation is often of longer maturity than theirs, stretching out the repayment schedule for the borrower.

3. Join the commercial banks in offering a credit at floating interest rates with a fixed and constant service charge involving both principal and interest on the mortgage. In this scheme, which has been used just once for Paraguay, borrowers are protected against rising interest rates.

When rates rise, a larger proportion of each service instalment is taken up with interest, and principal is repaid more slowly. The process is rather like the British mortgage system which allows borrowers to leave

their monthly payments unchanged but extend the life of their mortgage when rates rise. The difference is that the World Bank comes in with an offer to refinance any principal still outstanding at the end of the loan's original life so that, once again, lending banks can be sure of being paid on time.

All three options are attractive to banks, particularly those from Japan, both because they provide a link with the World Bank, which refuses to reschedule debts and because they involve World Bank expertise in a borrower's project or its economy.

Before the Baker initiative, World Bank officials were looking to a regular flow of some \$500m to \$1bn a year in new co-financing deals. Now the amount could be much larger.

Already Mexico is discussing a large \$10m co-financing loan

with the bank, and a similarly large project for Brazil, in the air for a long time, could be repaid.

But precise plans for an increase remain to be defined. It depends on the willingness of the World Bank to step up involvement in the debt problem despite acute worries expressed here by Mr Eugene Rothberg, its treasurer, over the risk of impairing the bank's standing on world bond markets where it raises most of its funds.

At the same time the scope of World Bank co-financing could change with a new emphasis on sectoral adjustment programmes designed to finance improvements in specific economic sectors such as foreign trade, bankers believe.

Also a new type of system could come to the fore in which there is no direct participation by the World Bank in a commercial bank loan, but the latter is only made over to the borrower after the World Bank has authorised a payout on its own sectoral adjustment loan.

Meanwhile the World Bank is proceeding with preparations for several new co-financing loans including a \$60m to \$70m deal for Malaysia's electricity board, a \$300m to \$400m credit for a Turkish hydroelectric project and a smaller \$20m credit for Mauritius.

At the same time officials are busy dreaming up all sorts of fancy innovations that include co-financed bond issues in which the World Bank would join with commercial banks to guarantee an issue. Co-financed swaps are even under discussion.

But it is the scheme where principal can be guaranteed as in Chile's case that has caught most imaginations. Such a scheme with its firm guarantee has particular appeal to banks. Moreover, since the guarantee only comes into force at the end of a loan's life when it has to be repaid it does not enter the World Bank's balance sheet immediately and is one way of stepping up its involvement without any immediate call on its capital.

That, say some bankers, is the sort of sleight of hand with which the debt crisis is now being handled.

Puerto Rico seeks aid after storm

By Cécile James

THE Puerto Rican Administration is to ask the U.S. Government for emergency funds to rehabilitate areas around the southern city of Ponce which were devastated by mud slides in the wake of heavy rains earlier this week.

Government officials in the island said the amount needed could run into "hundreds of millions."

The death toll from the disaster was said by the officials yesterday to be close to 200. They warned, however, that this could rise to 500 as there was no way of quickly determining the number of people buried under tons of mud.

Officials said 16 towns in the southern part of the island were cut off, and were being supplied with food by helicopters. The number of homeless has been estimated at 4,000.

The tropical storm dumped an estimated 40 cm of rain in one day. Most of the victims were covered by landslides while they slept, and rescue workers said yesterday there was little hope of finding alive anyone who was buried since Monday.

U.S. invites jet fighter tenders

THE U.S. Air Force, launching what is expected to be a \$450m weapons programme, has asked rival defence contractors to submit proposals to develop an advanced tactical fighter aircraft.

AP-IV reports from Washington.

The competition is likely to be one of the most hotly contested procurements ever. The fighter is to replace the McDonnell-Douglas F-15 and will become the main stay in the Air Force's tactical force. The Air Force plans to buy 750 of the advanced fighters at a cost of about \$35m each and the

rest of the programme's price is for research and development.

The seven contractors are Boeing, General Dynamics, Grumman, Lockheed, McDonnell-Douglas, Northrop, and Rockwell International. Next year, the Air Force will narrow the running to four contenders. The winner will be chosen in 1989, with the first test flight to occur in late 1991.

Because of the programme's complexity and the many parts that will go into the aircraft, even the losers in the race to become the prime contractor

likely will land jobs as subcontractors.

The Air Force wants the fighter to be able to land or take off from small, or even damaged, airfields. In addition, sophisticated oxygen systems would enable the crew to function in the face of a chemical weapons attack or even a nuclear explosion.

A recent report by the Congressional Budget Office warned that the Air Force could face a "substantial reduction" in its total force as a result of the heavy costs it will incur producing the advanced fighters.

Generals fight rights charges

By JIMMY BURNS IN BUENOS AIRES

MILITARY objections to the human rights trials of Argentina's former juntas have surfaced again this week with the arrest of retired General Pedro Mansilla, the former commander of the Third Army Corps based in Cordoba.

A 30-day detention on a charge of "insubordination" was ordered by General Hector Rios Erenu, the army Chief of Staff, after Gen Mansilla had reportedly criticised his military superiors for passively consenting to the trial and not blocking the charges against

other officers accused of human rights violations.

Gen Mansilla is the second senior officer to face disciplinary charges since President Raul Alfonsín carried out a major reshuffle of the military high command in March this year.

However, according to military officials the attitude of individuals like Gen Mansilla forms part of an attempt by hard-line elements inside and outside the armed forces to destabilise the country in the run-up to the sentencing of junta

members. The sentences are expected in early December.

Gen Mansilla was forced into early retirement last year because of his reportedly strong ties with General Luciano Menéndez, who is also expected to stand trial soon in connection with human rights abuses.

The five-and-a-half month trial of the juntas resumes today after an unscheduled two-day adjournment caused by the robbery of papers belonging to the defence counsel of former president Gen Roberto Viola.

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Baker plan 'falls short of solution'

By PETER MONTAGNON

PERU'S HARDLINE policy of withholding interest payments on its \$1.4bn foreign debt has left it deeply isolated at the International Monetary Fund annual meeting.

Public expressions of support from other Latin American countries have been conspicuously lacking, while top bankers, describing Peru as a "pariah" country, are determined to see that it does not benefit from the U.S. initiative on easing the debt problem.

A measure of the country's isolation is also the low profile adopted by Sr Luis Alva Castro, the Prime Minister, which is in marked contrast to the high profile in which President Alan García lashed into the IMF and its policies in a speech to the UN last month.

Mr Kashiwagi welcomed the Baker initiative as timely and a change in U.S. attitudes towards coping with the debt problem. "They don't say so, but it looks like it," he said. "We want the banks to lend more to them and they have not made it clear how."

He said that in Japan increased lending to debtor states would call for increased allocations to reserves. "That comes from our profit."

Japanese banks had not yet heard what will be required from the Japanese authorities, he said. But the Bank of Tokyo would continue its lending programme much as in the past.

Britain's chief delegate to the International Monetary Fund and World Bank annual meeting endorsed the U.S. initiative, taking a very much more positive and constructive view "towards world debt and trade problems," Mr Ian Stewart, Economic Secretary, said.

China admits misjudgment

CHINA underestimated the rate of the global economic decline over the past year, according to a senior Chinese central bank official, AP reports from Seoul.

"It is clear from the recent developments in the world economy that difficulties which beset many countries have increased in recent months, and the economic prospects for the world as a whole have become less optimistic than we anticipated at this time last year," Liu Hongru, first deputy governor of the People's Bank of China, said yesterday.

A special monetary conference should meet to correct weaknesses in the floating exchange rate system, Liu said. The IMF should relax the conditions under which it lends money to poor and developing nations.

Peru shunned for adopting headline payments policy

By PETER MONTAGNON

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Costa Rica close to deal on releasing standby credit

By PETER MONTAGNON

COSTA RICA, with debts of \$4.5bn, is on the verge of sorting out differences with the International Monetary Fund, that have prevented it from drawing on its \$DR 54m (\$40.5m) standby credit, Sr Espinoza said.

Mr Jacques de Larosiere has agreed to recommend a waiver of one key condition requiring Costa Rica to undertake a scheduled reduction of arrears on its foreign debt, Sr Espinoza said in an interview.

Costa Rica failed to meet the schedule because of delays in completing arrangements to re-finance \$70m in floating rate notes falling due this year, but a refinancing scheme for the notes which closed on September 30 has had a good response.

Once the IMF board formally endorses the waiver Costa Rica will be eligible to draw \$DR 10m from the IMF. In turn, it will trigger a disbursement of \$55.5m from commercial bank creditors, Sr Espinoza said.

Arrears on commercial bank debt are within the critical 90-day period.

Bankers attending the IMF annual meeting say Costa Rica, which has one of the largest per capita debts in Latin America, is a suitable country to benefit from the U.S. initiative on the debt crisis.

It has kept to the economic policy targets set out in its IMF agreement and is also likely to command sympathy in Washington given its strategic importance as a Central American democracy.

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OVERSEAS NEWS

Four dragons move in on Malaysian microchips

BY ALAIN CASS, RECENTLY IN PENANG

THE NAMES emblazoned across the roofs of plants beside the airport on the Malaysian tropical island of Penang are impressive: National Semiconductor, Hitachi, Hewlett-Packard, United Technologies and Motorola, to name but a few.

But the inside of the ultra-modern plants, where semi-conductors are assembled and tested for re-export, tell a different and sadder story.

Malaysia, like the Philippines, Singapore and Indonesia, all of whom relied heavily on electronics to boost export earnings and acquire high technology skills, is reeling from the worldwide slump in electronics. Companies riding high on consumer demand for over a decade are now having trouble making ends meet, and most are working at between 50 and 60 per cent of installed capacity. "There's hardly a company here that is making money," admitted Mr Mercer Curtis, managing director of Monolithic Memories' Penang assembly plant and president of

the free trade zone's "club" of foreign companies.

The 15-odd companies from the U.S., Japan, West Germany and Italy between them employ most of the 68,000 workers in Malaysia's electronics industry. They have taken drastic steps to ride out the storm. Wages have been frozen, shorter working weeks introduced, and workers are being forced to take holidays without pay. Hundreds of workers have been sacked and one plant has been closed.

Among the hardest hit companies has been Motorola, which closed its plant in Kota Bharu in peninsular Malaysia and recently reduced its staff in Penang from nearly 3,000 to only 700. The Connecticut-based

United Technologies Corporation, Motorola's U.S. parent company, has recorded large losses in both quarters this year. National Semiconductor is also phasing out a plant which employs 1,000 workers in Seremban in peninsular Malaysia.

The implications for Malaysia, if the trend continues are serious and deeply worrying to

officials who regard the presence of foreign electronics companies as crucial to the country's modernisation effort.

At the same time as being hammered by recession from the West, Malaysia is being threatened by the so-called four

dragons from the East: Singapore, Taiwan, South Korea and Hong Kong, all of which have been making giant strides in export-oriented electronics.

Wage costs have risen however. A manual worker in Malaysia was paid Ringgit 3 (87p) per day in 1971. Today the same workers earn between Ringgit 9 and 10 a day and the country's competitive advantage has been eroded.

Automation is further dis-

pelting the advantages that used to exist for assembly in Asia. Some companies—potably Fairchild Camera and Instrument Corporation—have already decided that it is more economical to assemble as well as manufacture chips in the same place.

Malaysian officials fear a drift back to the U.S. of assembly operations if the country cannot maintain its competitive edge and offer cheap labour as well as a sound business environment. Top managers in Malaysia deny any such intentions. The present retrenchment is not a deep-laid plot to start the great retreat to Silicon Valley, they say.

Mr Steve Cooper, managing director of Hewlett-Packard in Penang said: "We have no plans to leave. We intend to grow here. In fact we're negotiating with the Government about the possibility of actually manufacturing silicon wafers, which chips are assembled on. This would be a very significant development for the country's plans to move into higher technology."

Companies which have responded to the recession by cutting back their workforces were recently criticised by Mr Dain Zaiduddin, Malaysia's Finance Minister. But the Government is also taking a more positive approach to persuade companies that Malaysia remains a sound investment.

Mr Enick Jegathesan, a senior member of Malaysia's Industrial Development Corporation said: "We have agreed to offer companies who have been here for a while but are prepared to re-invest, generous new incentives."

One aspect of the recession which worries foreign companies in Malaysia is the pressure to introduce trade unions into the electronics industry. So far, both the Government and the private sector have successfully resisted this.

Meanwhile the industry waits for the desperately needed recovery to put it back on its feet, hoping that the current vicious round of price cutting will not prove to be a mortal wound.

A new series of nuclear tests in underground shafts drilled deep into the volcanic substructure of the low-lying atolls is expected to start any day.

France is widely rumoured to be planning final testing of a neutron warhead but has refused to reveal the nature or timetable for the trials.

Bal Hayward adds from Wellington: In an unprecedented move 17 retired chiefs-of-staff of the New Zealand army, navy and air force have publicly criticised the Labour Government's anti-nuclear policy, warning this will lead to a complete breakdown in relations between Wellington and Washington.

Four of the former defence chiefs have been chief of the defence staff—the top defence post in New Zealand.

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Further vessel joins Greenpeace protest off French test site

BY DAI HAYWARD IN WELLINGTON

THE Greenpeace flotilla protesting against French nuclear testing in the South Pacific gained another vessel yesterday amid rumours that a new explosion was imminent at the Polynesian test site. Reuter reports from Wellington.

The New Zealand yacht Broeze joined the ocean-going tug Greenpeace and the yacht Vega at a pre-arranged rendezvous near the Mururoa Atoll test site.

Mr Gerd Leopold, the protest co-ordinator, said the three ships would move to the edge of the 12-mile exclusion zone imposed by France around Mururoa and Fangatua Atolls. But he said they would not enter the zone and risk seizure by the French naval patrols, which are constantly shadowing the protest fleet.

A return to the previous relations between New Zealand and the U.S.A. could still be achieved if New Zealand made an early and positive change of policy, but the rebuilding of mutual trust would be a slow process, they said. The Government wish to remain in Annus but at the same time to have completely nuclear-free ports was irreconcilable. Participation in any South Pacific collective defence pact, they said.

If New Zealand military forces are barred from exercising with those of the U.S. this would have serious consequences for New Zealand, the statement said.

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Boogie Street falls to Singapore bulldozers

BY CHRIS SHERWELL IN SINGAPORE

But now the bulldozers are to move in, principally to demolish a sanitation problem and make way for a new station. The "ladies' hawkers" and customers are being scattered elsewhere, and a magical formula will be lost forever.

In a bid to save its essence, the Singapore tourist authorities have won approval to "relocate" the night-spot in another traditional narrow street close by, renaming it Bugis Street. But the present

residents will have been dispersed by then, and there is no clear deadline for the shift.

Until the last minute Bugis Street was exercising its charm. Though the "ladies" were officially swept off the street some years ago, they could still be seen after midnight, prancing among the food stalls and cluttered tables, occasionally posing for photographs.

Singaporeans and visitors alike would come for some of

the best local cuisine in town, or simply to negotiate a narrow path through the crowds and take in the fragrant aromas, headless bustle and blaring music.

For many people it was the sheer west of Bugis Street which made an otherwise staid Singapore linger longer in the memory. To them it will seem incredible that, as tourism stagnates and the economy goes into reverse, yet another traditional attraction can be forced to close.

What finally finished it off, however, was its lack of modern sanitation—a definite no-no in super-clean Singapore, and in the case of Bugis Street a problem that would have been very costly to repair.

Singapore's Mass Rapid Transit project compounded the problem. As far back as last December, even Mr Simathambay Rajaratnam, the area's MP and an old-guard political leader, was quoted as saying it was too late to talk

of preservation. "Do you want the MRT or do you want Bugis Street?" he asked.

By any standards, however, it has been a lingering and uncertain death. The government warned locals in 1983 that they would have to clear out. A study was then made to see if it could be preserved, but in July came the thumbs-down verdict.

Some 150 hawkers will now be moved in all directions, many of them across the island to Jurong, Singapore's heavy industrial area. Some have worked for decades in Bugis Street, but must have become resigned to their fate. Such is the character of progress in Singapore.

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FOCUS ON SOUTH AFRICAN COMMERCE AND INDUSTRY

IDC — industrial strengths offer scope for large scale growth and employment

Marius de Waal, managing director of the Industrial Development Corporation, talks to Richard Rolfe, London-based international editor of Finance Week of Johannesburg.

Rolfe: The IDC was initiated to stimulate industrialisation in South Africa, but this process is now largely self-sustaining. What is the IDC's new role?

De Waal: Let me first put the IDC in perspective. Although it is a State corporation, the directors are appointed from the private sector, representing industry, banking and finance. It does not manufacture a product, but provides financial support to the private sector, both for new industries and for expansion. It provides medium to long-term capital, does not compete with the banking institutions and does not insist on becoming an equity holder or on nominating a director to the board of the borrowing company, neither does it interfere with its management. The IDC is prepared to act as a straight lender.

We are a net contributor to the exchequer, and in respect of normal commercial-based funding we are independent of State support and self-financing. The funds we still obtain from the State are for subsidised schemes only, primarily for the export credit scheme for capital goods. Part of the development function is to underwrite new projects which the IDC considers to be in the national interest, and where the private sector is reluctant to participate. However, the IDC does dispose of its shares in such companies over a period of time, as they build up a history of firm profits.

We are deeply involved in achieving the national goals set out recently in the White Paper for Industrial Strategy. These are, firstly, to promote regional development. Through the efforts of the IDC, R7bn has been invested in industry outside the four metropolitan regions over the last 10 years. Next, we promote exports and earnings of foreign exchange. Over 1975-85 40% of all funds provided by the IDC were used for export-related industries.

To promote large scale employment is also a major function. The chosen route is to concentrate on industries based on agricultural products such as tea, coffee, rice, fruit juices, basic textiles and others. Finally, we assist industrialists across the whole spectrum of industrial activity: all races, whether White, Coloured, Asian or Black; all regions, metropolitan, regional and off-shore; and in all sectors of industry. The IDC has no prejudices.

Rolfe: What is your view on encouraging greater automation?

De Waal: It could become an important stimulus for economic growth by creating a rapid and effective demand for consumer goods, building materials and inputs in the infrastructure. This need not be inflationary in view of the parallel education and training process. To the extent that demand will have to be met, the IDC will assist industries to expand.

A substantial element of growth is likely to come from the informal sector, which will be an important part of urbanisation. The freeing of this sector from controls and other forms of inhibition will have to be part of government reform, and the financial support and industrial guidance will have to be provided by the Small Business Development Corporation, which caters for infant and small business.

Rolfe: Has decentralisation of industry been successful on balance?

De Waal: The official decentralisation policy commenced during the first 20 years. An improved package of incentives was introduced in April 1982. Its basic objectives are to achieve a better geographic distribution of industrial development, to promote economic development in the National States and to achieve a more equal distribution of income between population groups. Also, we want to encourage closer economic cooperation between the states of southern Africa by bringing about a more effective utilisation of infrastructure.

Although the decentralisation programme started off slowly it created job opportunities to some 193 000 in rural areas up to 1980. The new programme, since 1982, has had the required effect, with 75% of the new job opportunities created for Blacks. It has attracted, over the last three years, 159 overseas undertakings, mainly from Taiwan, Israel and the United Kingdom.

The growing success of the decentralisation concept is further accentuated by the fact that during the three-year period 1982 to 1985 380 applications for finance were approved by the IDC, compared to 400 for the 20-year period from 1961 to 1981.

Rolfe: Is there still major scope for import replacement?

De Waal: As you imply, the main feature of South Africa's industrialisation over the past 20 odd years is the prominent contribution of import replacement to industrial progress. But the larger portion of import replacement opportunities has now been exhausted and future growth from this quarter will not be as strong as in the past. Few opportunities remain in the manufacture of consumer goods while intermediate goods are supplied from local sources to a large extent.

The areas in which scope for import replacement remains are therefore based on the manufacture of capital goods and some remaining intermediate items. Total imports in the capital goods category is around R6 500m annually, amounting to about 40% of total imports. Main areas are machine tools, mining equipment, agricultural implements and the heavy transport sector. But import replacement is not limited to manufactured goods. We have made good progress with the establishment of a local tea industry. Coffee growing may be a viable industry, and the same goes for local rice production.

Rolfe: The electronics sector still seems to offer

good possibilities for expansion. What role is IDC playing here?

De Waal: Although the growth of the industry has recently slowed as a result of cutbacks in government expenditure, it is still a robust 15% per annum. The total market is R6bn annually.

Still more significant is the leverage electronics has on other industries, and the extent to which it pervades our lives. The future of South Africa as a competitive industrial nation depends in no small measure on how we tackle the further development of our electronics industry. We have a large assembly industry based on domestic requirements and on licensed technologies and product designs. But there has been little own product development and exports are negligible.

This will have to change as we are to realise the full potential of our economy; but on a careful, selective basis as it would be counterproductive to compete with the industry leaders of the world. On the contrary, we should import leading edge and other electronic products from the lowest cost producers when this has a significant cost advantage. So our efforts are directed towards high technology, rather than low-priced consumer products. Also, the purchasing power of the State is being harnessed and its buying power coordinated to create a base load for local industry.

In addition, our ability to produce microelectronic components, especially integrated circuits, will be enhanced and underwritten by the State and a determined effort made to encourage local product design. IDC also makes available risk capital to smaller firms to enable them to enter niche markets both here and overseas with own products. We are actively implementing this strategy.

Rolfe: Can you do more to promote labour-intensive agricultural schemes?

De Waal: We certainly believe these offer a practical and viable strategy. There are two main ways of handling it: indirectly through financing and stimulation of industries utilising agricultural raw materials, and directly by initiation and financing of agricultural projects. Timber is a good example of indirect stimulation, particularly Courtmads' Saco operation, of which we own a third. It has been expanded tenfold over the past 30 years and is one of the biggest developing pulp producers in the world today, with foreign exchange earnings in excess of R150m per annum. Other examples are financing of food canning and fruit juice production as well as wool processing.

By way of direct involvement we initiated large scale development of a local tea growing industry in 1963. Today 30% of tea demand is supplied locally, creating 16 000 job opportunities in regional areas.

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This will have to change as we are to realise the full potential of our economy; but on a careful, selective basis as it would be counterproductive to compete with the industry leaders of the world. On the contrary, we should import leading edge and other electronic products from the lowest cost producers when this has a significant cost advantage. So our efforts are directed towards high technology, rather than low-priced consumer products. Also, the purchasing power of the State is being harnessed and its buying power coordinated to create a base load for local industry.

In addition, our ability to produce microelectronic components, especially integrated circuits, will be enhanced and underwritten by the State and a determined effort made to encourage local product design. IDC also makes available risk capital to smaller firms to enable them to enter niche markets both here and overseas with own products. We are actively implementing this strategy.

Rolfe: Can you do more to promote labour-intensive agricultural schemes?

De Waal: We certainly believe these offer a practical and viable strategy. There are two main ways of handling it: indirectly through financing and stimulation of industries utilising agricultural raw materials, and directly by initiation and financing of agricultural projects. Timber is a good example of indirect stimulation, particularly Courtmads' Saco operation, of which we own a third. It has been expanded tenfold over the past 30 years and is one of the biggest developing pulp producers in the world today, with foreign exchange earnings in excess of R150m per annum. Other examples are financing of food canning and fruit juice production as well as wool processing.

By way of direct involvement we initiated large scale development of a local tea growing industry in 1963. Today 30% of tea demand is supplied locally, creating 16 000 job opportunities in regional areas.

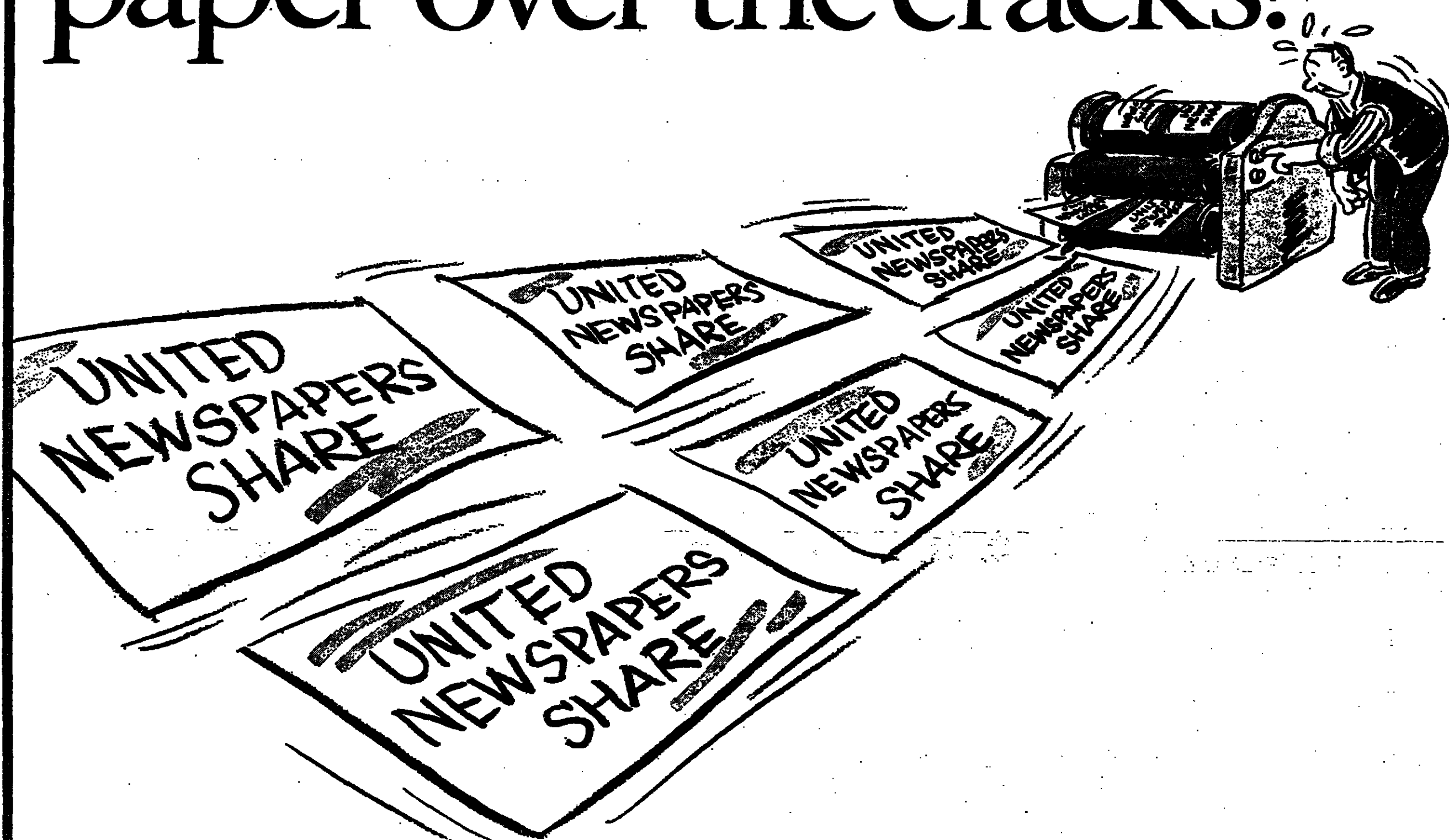
Rolfe: The electronics sector still seems to offer

good possibilities for expansion. What role is IDC playing here?

De Waal: Although the growth of the industry has recently slowed as a result of cutbacks in government expenditure, it is still a robust 15% per annum. The total market is R6bn annually.

Still more significant is the leverage electronics has on other industries, and the extent to which it pervades

How much longer can United Newspapers paper over the cracks?



As share issue piles upon share issue, look at the widening cracks beneath.

Consider the gulf between United's declining net tangible assets and total shareholders' funds.

No less than £77.7 million of United's December 1984 balance sheet was goodwill.

Which left £23.1 million net tangible assets.

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And as share issue piles upon share issue, look at the widening cracks beneath...



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WORLD TRADE NEWS

China N-plant talks reach crucial stage

BY CHRISTIAN TYLER, TRADE EDITOR

CONTRACT negotiations with China for the country's first big nuclear power station are reaching a crucial stage, with the arrival in Peking of a team of British businessmen, bankers and civil servants.

Negotiations on the technical side of the prestige project, that could be worth some \$500m to the UK, have ostensibly been completed. Over the next two or three weeks the British contingent hopes to bring to an end the protracted haggling over prices.

Britain's GEC Turbines is hoping to sign a contract to supply the non-nuclear side of the 900MW station to be built at Daya Bay on the coast of Guangdong Province some 50 miles from Hong Kong.

Framatome of France expects to supply two pressurised water reactors for the \$3bn-4bn (\$2.1bn-2.8bn) project.

Officials of the UK's Department of Trade and Industry are in China to conduct parallel negotiations on the financing of the British part of the project.

The Export Credits Guarantee Department is thought to be ready to underwrite an export

credit of some \$850m at 9.55 per cent interest repayable over 15 years after a six-year grace period.

The Daya Bay project, a joint venture between the Guangdong nuclear authority and China's Li and Power of Hong Kong, is the first of a series of planned nuclear power stations.

Orders for the construction of which will be keenly contested by Western contractors.

As with many business deals in China, negotiations have taken much longer than expected. But there do not appear to be any serious rivals for the Daya Bay project.

From the British side, the talks have been conducted under a cloak of secrecy. A number of the GEC executives and bankers most closely involved have been required, most unusually, to sign the Official Secrets Act to prevent them talking about the project.

Britain has tried to improve its meagre presence in the China project market recently by offering to provide soft loans in competition with the French and Japanese.

Tokyo cuts lending rate for importers

By Carla Rapoport in Tokyo

JAPAN'S Export-Import Bank yesterday further reduced the rate at which it will lend money to importers of selected goods.

The new rate for eligible items will be 6.2 per cent over two to five years, down from 6.5 per cent at the time of Prime Minister Yasuhiro Nakasone's market-opening package in the summer.

At the end of September, 1985, the bank had lent a total of ¥60bn (£197m) under the scheme, but this was largely accounted for by the purchase of a foreign-made telecommunications satellite.

The manufactured goods eligible for the reduced-rate loans include medical products, machine tools, office machines, transportation equipment and telecommunications equipment.

The bank said yesterday that it has received inquiries from more than 100 companies concerning the scheme. Many have been sceptical about the impact of the reduced-rate loans because, so far, they have not offered enough of an advantage over commercial bank lending rates.

The bank pointed out, however, that the new rate plus the longer lending period made a greater incentive for importers.

Bulgaria to hold back on imports

By Leslie Collett in Berlin

SENIOR Bulgarian officials have told a Western delegation that their country would have to hold back on imports from the West for the time being because of an unexpected need to import large quantities of grain this year after a serious drought.

Herr Martin Bommers, the West German Economics Minister, was in Bulgaria for a meeting of the joint economic commission at the Trade Fair in Plovdiv, which has just ended.

He had talks with Mr. Kristo Hristov, the Bulgarian Foreign Trade Minister, Mr. Andrei Lukinov, Deputy Prime Minister, and Mr. Todor Zhivkov, the Bulgarian leader.

The Bulgarians said they wanted to intensify economic ties with West Germany, the country's largest Western trading partner.

West German companies at the fair said that their Bulgarian partners were continuing to pay without delay despite Bulgaria's problems.

West German exports to Bulgaria in the first seven months of the year rose 31.5 per cent to DM 960m (\$325m) while imports were up 23 per cent to DM 239m.

EEC extends protection of electronic typewriters

BY PAUL CHEESBRIGHT IN BRUSSELS

THE European Commission yesterday extended protection of the EEC electronic typewriter industry by imposing a provisional anti-dumping duty of 28 per cent on the products of Nakajima AIL.

The company is the only Japanese exporter not caught up in a June decision of the Community to place definitive duties of 21-35 per cent.

Nakajima AIL was part of the original investigation into Japanese sales, then exempted from import, then brought back again as new evidence became available.

The decision has been made as Brother, Canon, Silver Seal and Tokyo Electric, joined latterly by Towa Sankiden, prepare for a hearing at the European Court of Justice next Monday.

They are asking the Court for an interim injunction to

suspend the duties until a final judgment is made on their appeal against them.

The Commission has followed the more general June decision in the case of Nakajima AIL, concluding that it cannot be held apart from the overall consideration of Japanese electronic typewriter sales are causing injury to the European industry.

But this point has been contested by Nakajima AIL. It pointed out that one of the companies launching the anti-dumping complaint in the first place—believed to be Olivetti of Italy—is a substantial importer of Nakajima AIL typewriters for sale under its own brand name.

This did not stop the Commission holding that injury was being caused to other EEC manufacturers.

East Germany and Greece set for trade pact

By Andriana Iordachescu in Athens

GREECE and East Germany are expected to sign a long-term economic co-operation treaty today, during an official visit to Athens by Herr Erich Honecker, the East German president.

Greece hopes the agreement will help to improve the trade balance with East Germany, which has been negative since 1978. Last year, Greek exports to East Germany reached just \$14m (£10m) against imports of \$61m.

East Germany was the second largest East bloc exporter, after the Soviet Union, to Greece. Greece mainly sells agricultural products and light manufactured goods, while imports from East Germany include heavy mechanical equipment for the state railway, and the Public Power Corporation.

The East German Ambassador to Athens said this week that during Herr Honecker's visit, the two sides are to discuss co-operation in railway transport and hydroelectric projects, as well as possible joint ventures involving Greek shipyards.

The Ambassador called on Greek businessmen to launch "a more aggressive and dynamic export policy." The East Germans are understood to feel there is room for improvement in both the quality and marketing of Greek exports.

Greece's problems with the East German trade balance are part of a broader picture of deteriorating trade with the countries of the East bloc, since accession to the EEC in 1981 did away with clearing arrangements.

In 1984, Greek exports to East Europe reached Drachmas 31.7bn (£168m), less than Greece's exports to the UK alone.

Du Pont and Philips consider optical disc link

By Laura Rann in Amsterdam

PHILIPS, the Dutch electronics group, and Du Pont, the U.S. chemicals giant, are considering a joint venture in optical discs for the audio, video and data markets.

The software venture would involve video discs such as those for Philips' LaserVision, compact discs for audio players and information storage discs for computer retrieval and possibly recording. The financial investment, location and potential market have yet to be determined.

Last year, Philips established a joint venture with Control Data of the U.S. for high-capacity data-storage systems using optical technology, including hardware and software. Information on optical discs is recorded and read by lasers.

Du Pont would bring to the proposed venture its experience in optical information storage.

Finnish boycott will hit S. African trade

FINLAND'S trade with South Africa will be hit by a boycott by the country's transport workers. The transport workers' union has decided to stop handling exports to and imports from South Africa in all Finnish ports as at October 20, Olli Virtanen reports from Helsinki.

Virtanen said that Finland's exports to South Africa are transported by ship. Some two-thirds of the exports consist of forest industry products, mainly paper.

The decision of the indefinite boycott follows a similar action by the Norwegian transport workers' union. Swedish colleagues are expected to follow suit soon.

Danish groups share in \$40.5m Libyan order

BY HILARY BARNES IN COPENHAGEN

FLOTEK, a Danish engineering and consultancy company, has won a contract from Libya for a gypsum plant. The turnkey project is worth about \$40.5m (\$29m), according to Flotek's sales manager, Mr Per Thorsen.

Two other so-far-unnamed Danish companies and a Swedish company will participate in the project.

Flotek specialises in technical assistance on oil and natural gas projects and produces equipment for oil and gas installations.

The project is part of Libya's strategy for reducing depen-

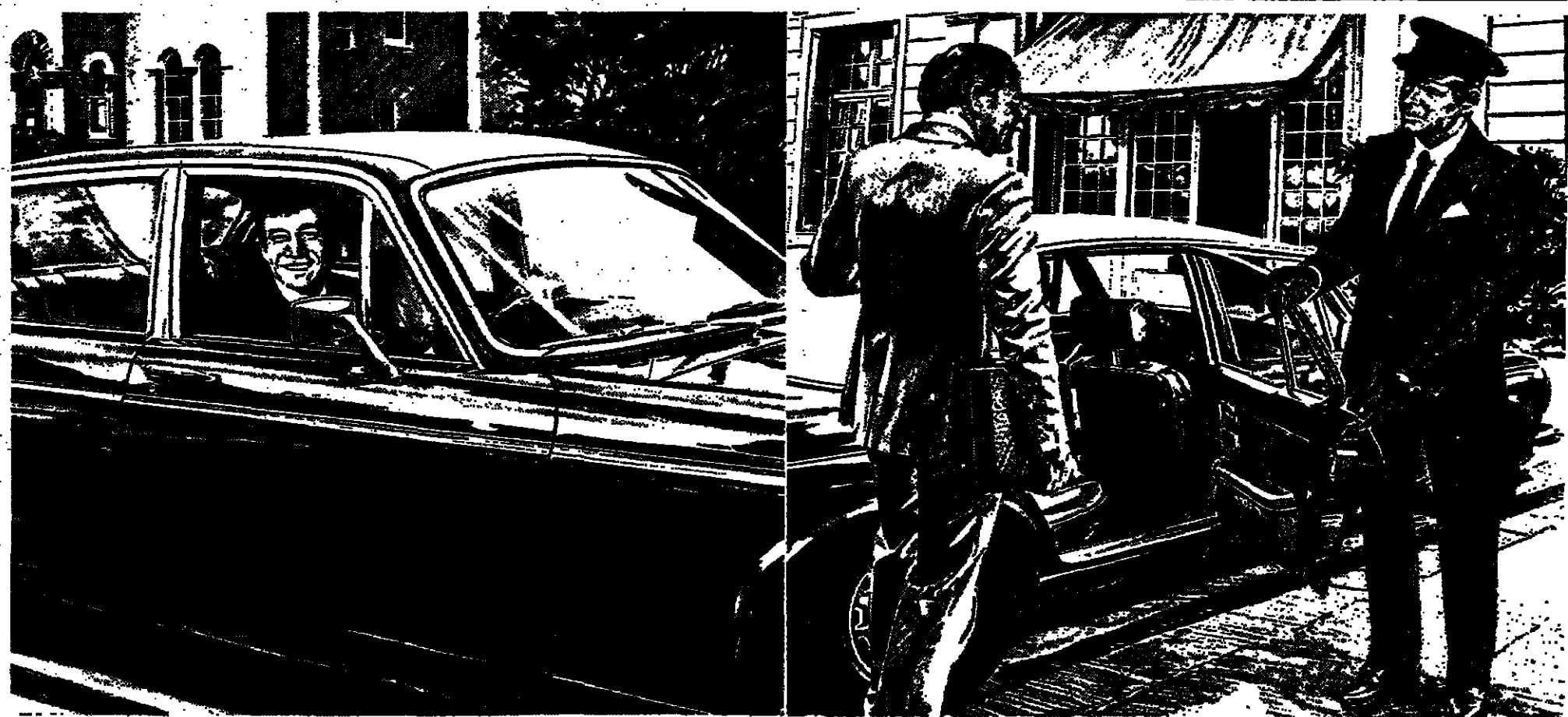
dence on crude oil exports, Mr Thorsen said.

The gypsum, which is used in cement production, will be exported to Europe. The project includes setting up a natural gas energy plant at the factory and terminal facilities at the port of Tripoli.

Mr Thorsen said the deal included commitments by the Danish and Swedish participants to buy gypsum from Libya.

The project will be financed by Libya, in part through pre-payments. Danish export credit guarantees will be sought to cover the construction phase.

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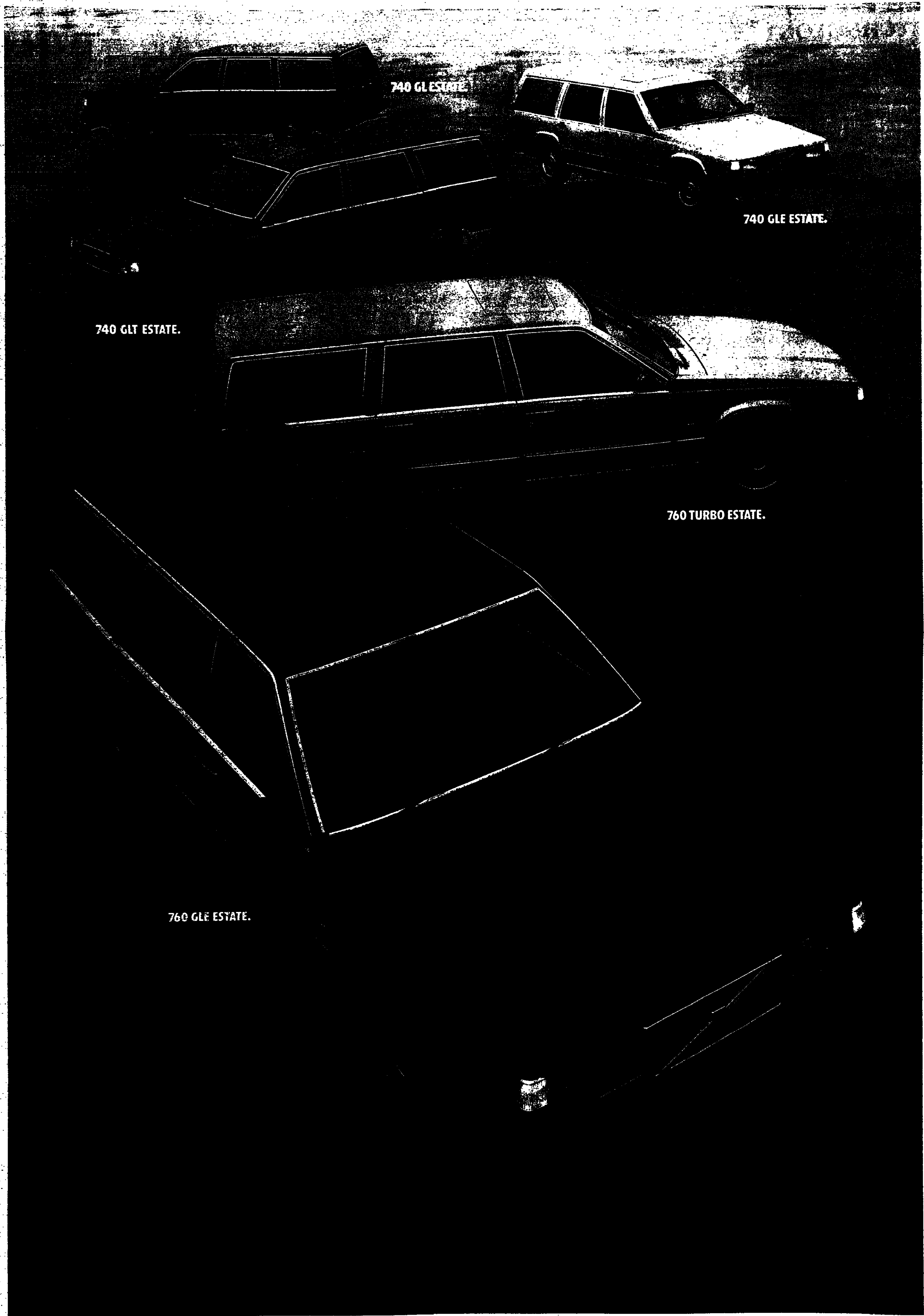
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TECHNOLOGY

EDITED BY ALAN CANE

Electron beams show their potential

ELECTRON beam machines are only now coming into their own as devices for turning out the glass masks used as essential tools in the world's \$25bn-a-year turnover semiconductor industry.

According to Micro Mask, a leading mask-maker based in Sunnyvale, California, only 38 per cent of the total U.S. market for masks of \$290m is accounted for by production techniques that use electron beams. The rest of the masks are made using conventional optical equipment.

But the picture is changing, suggests Mr Russell Weiss, vice-president of the company, due to the semiconductor industry's increased demands for high-resolution masks that can be made relatively quickly. Mr Weiss says that by 1990, 80 per

cent of masks will be made with electron beam methods, with optical techniques accounting for only 20 per cent.

Masks are small plates containing densely woven patterns of lines for printing on to wafers of silicon or other semiconductors. The lines mark the positions of circuit elements such as transistors and are commonly only a few micrometres apart.

The patterns on masks are generated by directing beams of light or electrons at a layer of photoresist on a glass slice. The photoresist is changed chemically in closely defined positions to produce the required layout of lines.

In optical equipment, the light is transmitted to the desired portion of the slice with a mechanical shuttering system,

Electron beam machines are gaining ground in the semiconductor industry, reports Peter Marsh

as in a camera, while in electron beam hardware the rays are steered by raster-scanning, the method used to generate TV pictures.

In semiconductor production, engineers replicate the mask's pattern onto wafers by shining ultra violet light through the device in a technique similar to screen-printing in the paper industry. An alternative, which is used mainly for inscribing small areas of patterns in special custom-built integrated circuits, is to "write" the lines directly on to a photoresist on the wafer using an electron beam. This avoids the need for a mask.

Mask-making is a highly skilled activity, comparable to the production of master plates

in printing. In the U.S., a dozen or so specialist mask-makers supplement the activities of the mask-making shops run by semiconductor companies themselves. Western Europe contains about half this number of independent mask-producers (all but one of them in Britain) while Japan has three mask-makers of significant size.

With electron beam machines, engineers can with relative ease produce masks in which the minimum feature size is 1 micrometre or less. This is a result of the high accuracy with a beam of electrons can be focused on a plate.

The drawback is that such machines are expensive. For instance, the latest electron beam machine for chip-making made by Perkin-Elmer, the U.S. optics and electronics company, costs about \$4m, compared with \$1m-\$2m for hardware that offers lower resolution using ultraviolet light.

Other leading producers of electron beam hardware for the semiconductor industry include Varian of the U.S., Jeol of Japan and Britain's Cambridge Instruments. IBM has built its own electron beam

machines for the company's internal use.

In addition to buying an electron beam machine, a mask-maker, says Mr Weiss of Micro Mask, would need other supporting hardware costing a further \$3m. As a result of these high costs, he suggests, the number of independent mask makers will drop.

At the same time, even the biggest chip companies will be forced to turn more to outside suppliers for their masks, as the cost of running their own mask-making operations becomes prohibitive. According to Mr Weiss, 27 per cent of the total U.S. mask market is met by outside suppliers, a figure which he says will grow to 37 per cent by 1990.

Other independent mask-makers in the U.S. include Ultratech, Master Images and Microfab (all based in California) together with Tau.

The leading independent European company in mask production is Compugraphics, of Glenrothes, Scotland. The company accounts for roughly a third of total European sales of masks from independent producers of roughly \$15m.

Furma's riveting idea

A SELF-PIERCING riveting system, operated hydraulically at low noise levels, has been developed in Australia by Furma Sales Pty and is marketed in the UK by Henrob of Neston, South Wirral (051336 5144).

The equipment, resulting from a seven-year, \$1m research and development programme, is lightweight, portable and feeds rivets automatically to the work from a spool.

Self-piercing systems drastically reduce production time by eliminating conventional assembly operations. Normally, a hole is first punched or drilled through the two sheets to be joined, producing swarf.

The Furma system pushes each rivet straight into the work, with the displaced sheet metal, into a die on the other side. The sheet surface remains unbroken and is merely distorted to produce the required joining action between the two sheets.

Any coating such as galvanising also remains intact, which means that retouching is unnecessary, and the joint remains watertight.

Modular design allows the system components to be arranged to suit the user's needs. For example, the

rivet setter and die can be on a long reach C-frame to allow work inside tanks or silos. Or mounting can be on purpose-built jigs or frames.

This approach makes it easy to integrate the system into an automated production line and to incorporate robots for handling. Alternatively, the system can be hand-held with the advantage that it can be taken to the work.

An automatic rivet feeding device incorporated into the rivet setter allows the operator to set a rivet once every three to five seconds.

A hydraulic pressure switch adjustable for each rivet type (shank diameters up to 5 mm, head diameters to suit the application) ensures proper setting. Combined sheet thicknesses up to 4.5 mm can be pierced. A safety circuit allows the stroke to be stopped at any stage and reversed.

Henrob already has a \$180,000 contract with the Indonesian Government, the machines will be used in a \$13m steel frame housing project in Jakarta, where 120 houses are to be built every week, using over 2,500 rivets per house. A UK production facility for the Furma system will open early in 1988.

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U.S. welding problem is solved

THE Convair Division of General Dynamics Corporation in San Diego had problems using its well-proven electron beam welding technique to join components of the equipment for measuring fuel on the Atlas space booster which carries satellites into space.

The technique proved less than ideal for the very expensive aluminium alloys used for the fuel monitoring equipment and the reject rate was unacceptably high because of the cost of the alloy.

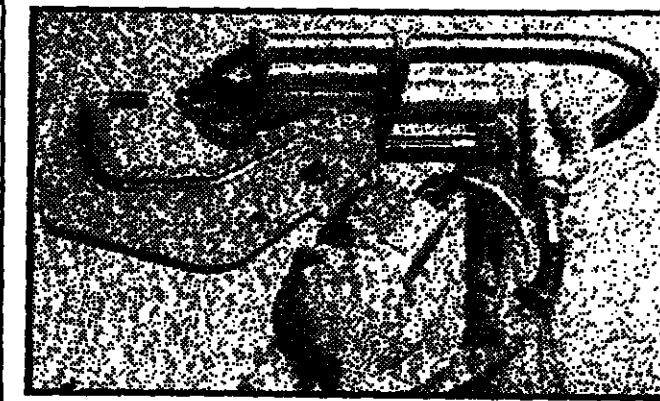
The company contacted the Welding Institute, an organisation based at Abington Hall near Cambridge which offers its research, development and consultancy services world wide.

The institute mounted a \$2,000 project to investigate alternative methods of joining the components, settling on friction welding, a comparatively new and sophisticated technique.

Within 90 days, the technology was being used in production at San Diego, reducing the scrap rates to almost zero. It was also possible to redesign the components so they could be produced more economically.

One estimate of the savings accruing to General Dynamics as a result of the switch in welding technologies is \$7.5m.

The Welding Institute employs about 550 people. It has recently formed a partnership with the Edison Welding Institute of Ohio in the U.S.



Harwell's special robot arm takes a grip on semiconductors

A ROBOT arm developed for Britain's nuclear energy programme is a key component in a new machine for helpingetching operations in the world's semiconductor industry.

The Harwell Laboratory of the UK Atomic Energy Authority is supplying the arms to Plasma Technology, a small semiconductor-equipment company in Bristol, for use in hardware which automatically pumps gases for etching operations into chambers containing semiconductor wafers.

With a suction gripper, the robots lift circular wafers in and out of the chamber, which can hold eight 4-inch wafers during a typical etching process of about five minutes.

Plasma Technology aims to buy two arms a month from Harwell for incorporation in its new Series 8000 machine, which sells for about £150,000.

The 60-strong Bristol company, with annual sales of \$4m, specialises in plasma etching techniques in which materials on the surface of a semiconductor are selectively removed by liquid

chemicals. Plasma etching is more likely to provide "clean" boundaries between different horizontal segments of a semiconductor device which may be separated from each other by only a few micrometres.

Plasma Technology mostly sells relatively small machines with low throughputs of perhaps 25 wafers an hour. The hardware is more likely to see use in research and development laboratories than on production lines. The company has sold about 300 small plasma machines (costing \$30,000 to \$70,000) including about a dozen to U.S. companies such as Monsanto, Bell Laboratories and Hewlett-Packard.

Competitors include Applied Materials (a Californian company which dominates the world of plasma-etching) and Plasmatherm of the U.S. and Electro-tech, another Bristol company for which three of Plasma Technology's founders used to work before they broke away to form the new company four years ago.

PETER MARSH

British companies pioneer chip tailoring technique

TWO British companies are pioneers in the business of using electron beam hardware to turn partially-finished chips called gate arrays into completed circuits.

Array Logic, in Royston, Hertfordshire, and Qudos, based in Cambridge, offer services in which they inscribe lines on gate arrays according to the customers' specifications.

Gate arrays are semiconductors sold by companies such as Ferranti, Philips, Texas Instruments and Plessey. They offer a basic layout

of circuit patterns useful for a range of applications, and the customer adds the final network of circuit lines to suit the specific use for the chip. Examples might be a processing job in a computer terminal or signal-compression in telecommunications.

Array Logic was formed last November by 16 ex-employees of PA Technology, a contract-research company in Melbourn, near Royston. A group of finance organisations including Charterhouse and Moracrest (a fund established by Midland Bank) provided

the £3.5m needed to start the company.

Dr Bob Whelan, managing director of Array Logic, says his company can produce prototype chips using a set of gate arrays, and a final design in seven to 10 days. This compares with the two to three months an electronic equipment company often needs to obtain a final chip from a gate array.

Conventionally, the customer works on the design for a chip in collaboration with the company making the arrays. The latter is also responsible for adding the final

circuits to fit the semiconductor to a specific use. Commonly, in the last few steps engineers would add a series of conducting lines to the chip to link the existing series of logic circuits (or "gates") to meet the customer's requirements.

Array Logic offers a complete service in which it designs the final shape of the chip for a customer. Users of the service have ranged from divisions of multinational companies to 20-person organisations.

The company uses electron beams for this final stage

because the technology is faster and more flexible than the conventional way of inscribing circuits on semiconductors. Array Logic's technique uses beams of ultraviolet light to shine through a photomask which describes the required layout.

Array Logic uses a film electron-beam machine made by Cambridge Instruments, and Qudos is to build two electron-beam machines based on technology developed at the university's microelectronic engineering laboratory.

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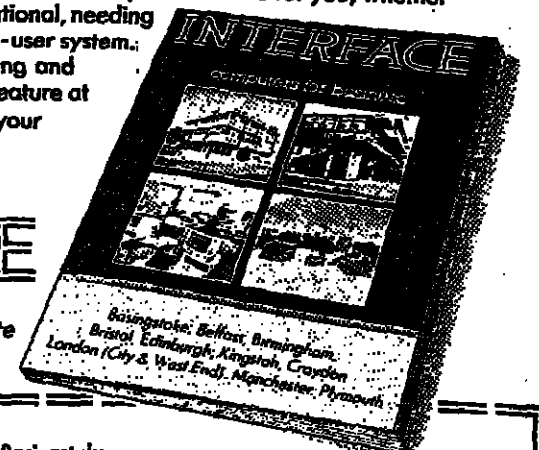
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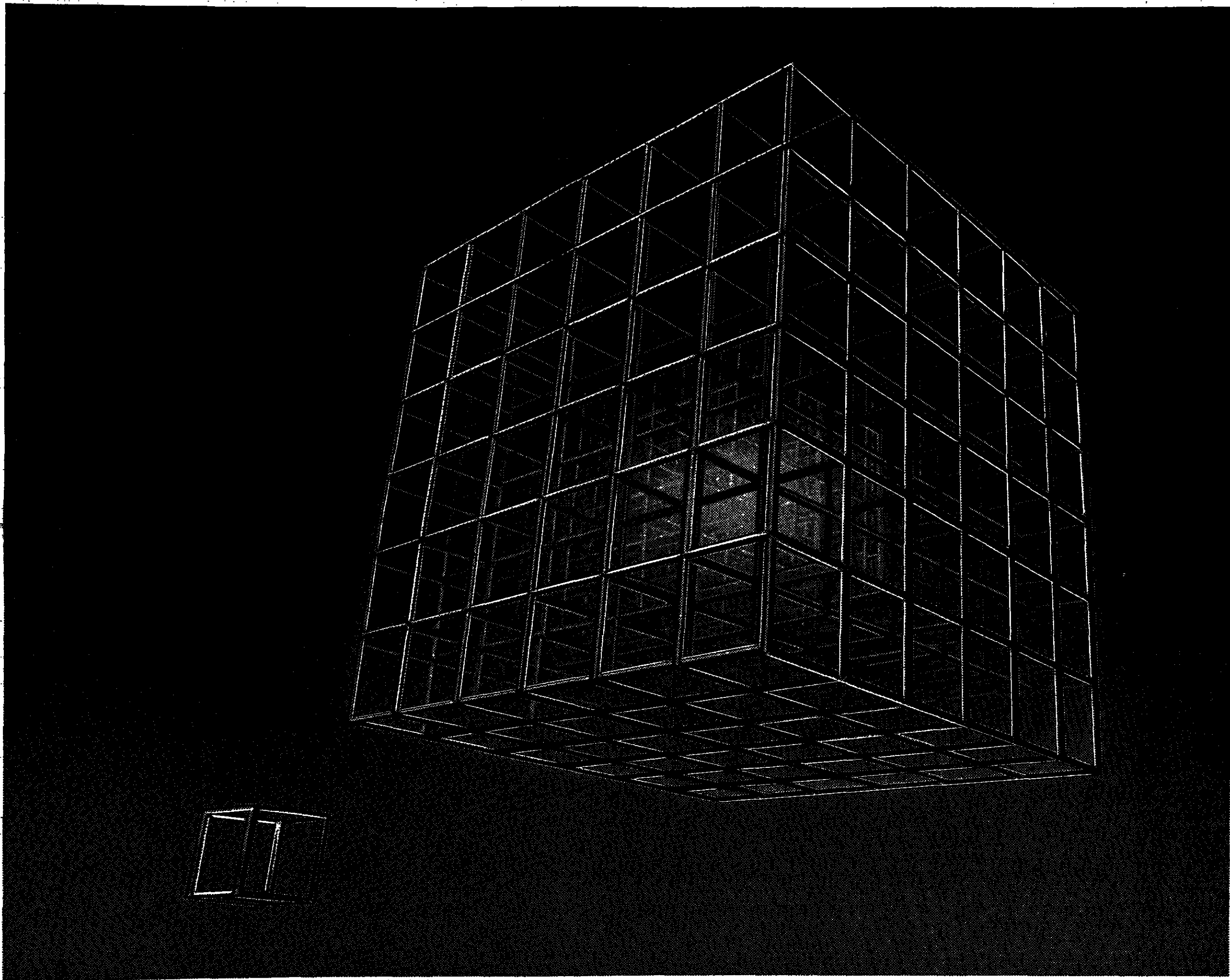
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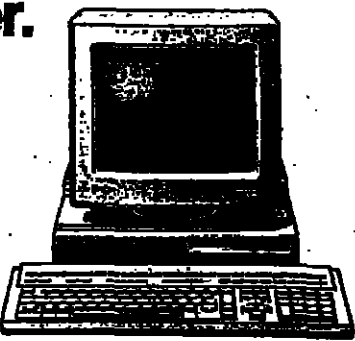
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UK NEWS

Baker pledges plan to reform property taxes

PETER RIDDELL, POLITICAL EDITOR

MR KENNETH BAKER, the Environment Secretary, yesterday promised at the Conservative Party conference that the Government would produce a firm plan for the reform of the rating (property tax) system well before the next general election.

He made it clear that the momentum of the review of local government finance had not been stalled. This is despite disagreement at a Cabinet committee discussion in late September over the nature of the reform package. He said a consultative paper would be published around the turn of the year.

It also became known yesterday that, in the absence of Cabinet agreement on a reform plan for the whole of Britain, Scottish Office ministers would insist on a separate Bill to be introduced in the 1986-87 parliamentary session.

Mr George Younger, the Scottish Secretary, and his colleagues believe that specific legislation, not just a pledge, is necessary if the Conservative Party is not to face a major electoral setback in Scotland, where a rate revaluation has caused considerable protests.

Mr Baker said that the timing of legislation depended on the date of the next election. But, he said, "It is impossible to go into the next election simply saying we are going to

reform. It would not be credible. What we have to do is spell out clearly before the election what the policy is going to be."

In his speech, Mr Baker largely dismissed suggestions for transferring education expenditure from the rates to central government as well as the idea of a local sales tax.

Instead, he repeated his known preference for reducing the rates and "supplementing them possibly by a personal tax which would widen the tax base, as many local authorities would like."

Mr Baker admitted that this would involve more people having to pay, though it would increase local accountability. This reflects the worry of other ministers about the number of people who would lose from this type of change. At present, domestic rates are levied on a property regardless of the number of occupants.

The main decision is how radical the change should be, with a number of ministers urging caution ahead of an election. But with the Prime Minister backing, Environment Ministers hope that a package can be agreed involving the central financing of business rates and, at least, a restructuring of domestic rates with changes in the grant system.

Bargaining over Polaris rejected

BY NOR OWEN

BRITAIN would be wrong to use its independent deterrent as a bargaining counter to secure a reduction in less powerful weapons in the Soviet Union's nuclear armoury, Mr Michael Heseltine, the Defence Secretary, told the Conservative conference yesterday.

He forcefully argued speech contrasted sharply with the caution shown last week by Sir Geoffrey Howe, the Foreign Secretary, when he gave Britain's first official response to the proposals made by Mr Mikhail Gorbachev, the Soviet leader, for securing an all-round reduction in nuclear weapons.

Mr Heseltine recalled that Mr Gorbachev had proposed that the British and French independent deterrents should be balanced against Soviet SS20 missiles.

He stressed: "But our deterrent is not, like the SS20, just one part of a huge nuclear armoury. It is a last-resort deterrent against the whole range of that massive Soviet nuclear arsenal."

Mr Heseltine maintained that so long as Britain retained its nuclear deterrent - the Polaris submarine-based missiles which would soon be replaced by the more potent Trident missile system - there was no way in which the Soviet Union could threaten the UK vital national interests without running the risk of unacceptable damage to Russia itself.

He claimed that it was this deterrent threat which made all war, not just nuclear war, "unthinkable."

The Defence Secretary said that

while it was not surprising that the Russians should try so hard to persuade Britain to give up its independent deterrent, the fact was that not a single new argument had been produced to justify such a course.

To appraise, Mr Heseltine warned of the dangers of trying to

Mr Heseltine accepted that in administering the £18bn defence budget it had not always been possible to achieve value for money, but he claimed that the greater involvement of the private sector would achieve an improvement.

The sale of the Royal Ordnance

Conservative Party at Blackpool

foretell the relationships which would exist between nations and continents in 25 years' time.

He insisted: "It is not our right to gamble that history will unfold in our favour. It has not always done so, it might not again. No responsible government should create risks for its successors in an unpredictable world."

Replying to societies expressed by some rank-and-file speakers about the expenditure implications of Trident, Mr Heseltine said the average costs would absorb a fifth of the increase in the defence budget which had taken place since the Government took office in 1979.

He described suggestions that if nuclear weapons were abolished, a conventional war could somehow be acceptable as being among the least defensible arguments of the advocates of unilateral disarmament.

There was the obvious risk that unilateral nuclear disarmament would shift the military balance that war would become more, not less, likely. It was also a fact that there was not conventional defence against nuclear weapons.

Factories and the introduction of commercial management in the Royal Dockyards were on the agenda, and the splitting up of British Shipbuilders would give the Royal Navy a choice of supplier.

Mr Heseltine emphasised: "Competition now dominates our procurement. More small businesses are securing our contracts."

He scoffed at the idea that the events during last week's Labour Party conference had seen the emergence of Mr Neil Kinnock as a strong leader with the ability to curb the activities of left-wing extremists. Stressing the Labour leader's commitment to unilateral nuclear disarmament, he declared: "On the essential defence interests of this country, he is the extremist."

Mr Heseltine highlighted the differences over defence policy between the Social Democrats and their Liberal partners in the Alliance. He demanded: "Why should anyone in Britain believe Dr David Owen (the SDP leader) can defeat the one-sided disarmers of the Liberal Party when he ran away from

Tough laws planned against drug dealers

BY LISA WOOD

TOUGH NEW powers to deal with drugs trafficking, including the potential to confiscate all the assets of those convicted of handling the proceeds, were proposed yesterday by Mr David Mellor, Home Affairs Under-Secretary.

Mr Mellor, replying to the Tory conference debate on drug abuse, said he was seeking the powers in the next session of parliament and intended they would become law by next summer.

The measures closely follow the recommendations of an all-party committee on drug abuse which have been recently backed by the Association of Chief Police Officers and the Lord Chief Justice.

Mr Mellor said the Government proposed to create a new offence of handling the proceeds of drug trafficking. Powers were being sought to obtain information about the movement or disposal of such proceeds.

Consultations were being held with the police, the Inland Revenue and banks about what further powers could be necessary to facilitate effective tracing of assets.

It was also proposed that, on or before the arrest of a person suspected of handling money raised through drugs trafficking, a High Court judge would be able to freeze the assets of the individual or those of a third party.

Mr Mellor said that, upon conviction, a crown court would be re-

quired to impose a confiscatory fine "equal to the full extent of the proceeds of the defendant's drug trafficking activities."

The burden of proof would be reversed with the convicted person having to prove, Mr Mellor said, that his house, swimming pool and Rolls-Royce were not bought with the proceeds of drug trafficking.

Mr Mellor said the Government was seeking, through international agencies, reciprocal arrangements so that UK confiscation orders would be enforced by foreign courts and vice versa.

Other measures announced by Mr Mellor included the appointment of seven more intelligence officers abroad, more money for crop substitution schemes in South America and the appointment in the UK next year of another 150 specialist Customs officers.

The Government's strategy on drugs was working, Mr Mellor said, with more and more drugs being seized and increasing numbers of traffickers imprisoned.

On help for victims of drug abuse, a further £5m over the next three years was to be provided for local projects with further money in the pipeline for local treatment and rehabilitation services. Some £4m was to be allocated to education authorities to appoint specialist staff in schools to promote education about drugs.

Austin Rover lays off to reduce stocks

BY JOHN GRIFFITHS

A SECOND week's shutdown of almost all Austin Rover car production is to take place later this month, in order to reduce stocks.

Some 27,000 workers will be affected by the lay-off, during the week starting October 28. The move follows a shutdown for the same reason at the end of September when workers had their normal week's autumn holiday extended to two weeks. Additionally, production rates of the Metro, Maestro and Montego were reduced by 10 per cent.

The only model range to be unaffected by the latest shutdown is the Rover 200 series, produced at Longbridge, Birmingham. The new lay-off is being attributed to concern that near-record new car sales in August, when a total of more than 375,000 were sold, are likely to have "pulled forward" sales, leading to a contraction in the final quarter.

Austin Rover says it believes the new car market will total only about 300,000 in the final three months. This would still produce a record sales year of just over 1.8m units however (the existing record is 1.79m, set in 1983) and Austin Rover acknowledged yesterday that sales in September were "better than expected."

Austin Rover had a successful September, its market share reaching 20.9 per cent. This was the first time it had exceeded 20 per cent for many months. Its share for the year to date, at 18.2 per cent, remains well short of the consistent 20 per cent-plus that it has been seeking.

In some union and component supplier quarters there is speculation that a third week's shutdown may be necessary. Austin Rover said last night that this was not at present being contemplated.

Courtaulds cushions job losses

By Anthony Moreton and Robin Reeves

COURTAULDS, Britain's largest textiles group, has bowed to strong political pressure and drawn up a job-creation scheme at Chwyd, North Wales, after the closure of two textile mills in the county in April which cost 1,100 jobs.

Sir Christopher Hogg, chairman, said the aim was to give assistance to former employees to obtain jobs and speed the return of the mill sites to "constructive use."

Courtaulds is to transfer an 88-acre site to Wrexham Maelor council and another covering 60 acres to Deln council, with the 50 small businesses on them.

It is also clearing away all hazardous materials providing retaining for displaced workers, 700 of whom are still looking for work; employing consultants in industrial regeneration; providing a detailed engineering report on each site for the two councils and putting a senior manager into the Deln Enterprise Agency.

Estimates of the cost of the scheme are around £3m, but Courtaulds declined to give a figure. The scheme was welcomed by Mr Nicholas Edwards, Welsh Secretary. "The Prime Minister and I were anxious that the company should be seen to be making its full contribution to the task of dealing with the consequences of the plant closures, announced earlier this year," he said.

At the time of the closures Mr Edwards was said to be furious. The first indication he had of any cut-back was when he read about it in newspapers. His anger was echoed by Mrs Margaret Thatcher, Prime Minister, who publicly rebuked the company.

MPs in the House of Commons described Courtaulds as "hard and inconsiderate" and "one of the worst employers in Britain."

In an attempt to ease the impact of the closures the Welsh Office announced in June £5m worth of accelerated expenditure on infrastructure work. Courtaulds has cut its labour force by 25,000 over five years. It now employs 70,000.

Teachers to step up pay strikes

By Our Labour Staff

TEACHERS HAVE voted for further half-day strikes at schools in England and Wales over their eight-month-old pay dispute.

The majority in favour of strikes in a ballot held by the National Union of Teachers was 70 per cent, higher than the 76 per cent recorded in the last similar ballot in September.

Union leaders believe they have a strong mandate for pressing a hard line at informal talks on the dispute in London today.

Chief named for Marconi

By Guy de Jonquieres

MR REYS WILLIAMS, who left the General Electric Company (GEC) less than two years ago to enter the venture capital business, is to return to GEC as chairman of its Marconi subsidiaries.

His appointment, part of a wider top management reshuffle at GEC, follows the resignation two weeks ago of Mr Arthur Walsh as managing director of GEC-Marconi; to become chief executive of STC, the troubled telecommunications and computer company.

Men and Matters, Page 28

SGB rejects Beazer offer

By Charles Batchelor

SGB GROUP, one of the leading British scaffolding companies, yesterday rejected an unusual £22.5m tender offer for 25 per cent of its shares from C.H. Beazer, the fast-growing house-building and construction group.

A tender offer allows the bidder to put its proposals directly to the shareholders of the target company; allows it to set a limit to the number of shares it buys and has emerged as an alternative to a market raid which can drive share price above the level the bidder is prepared to pay.

Lex, Page 28



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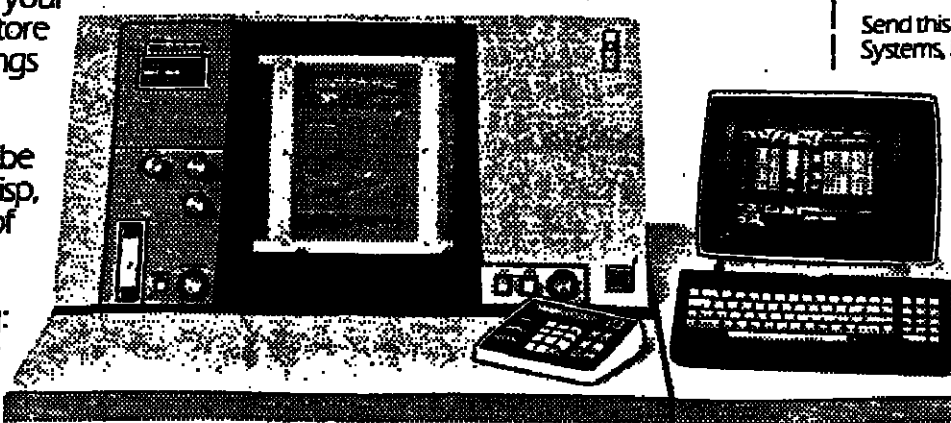
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UK NEWS

Flood of textile imports from Far East feared

BY NICK BUNKER

BRITISH textile manufacturers, still enjoying a gradual recovery after the severe recession of the early 1980s, fear that mounting U.S. protectionism will leave Europe facing a fresh wave of imports from the Far East.

Officials of the British Textile Confederation (BTC), representing textile and clothing companies and trade unions, expect Congress to pass "any day now" the Jenkins Act limiting U.S. imports of textiles and clothing.

The Jenkins Act is aimed mainly at Far Eastern suppliers in countries such as Hong Kong, South Korea and Taiwan. BTC officials say it would cut total U.S. textile imports by 15 per cent.

Intense lobbying by domestic textile manufacturers may force the Reagan Administration into restricting imports further, even if the Jenkins Act is halted by a presidential veto, BTC officials believe. Far Eastern suppliers would then try to dump in Europe exports originally destined for U.S. markets.

Mr Harry Leach, BTC's president, speaking in London yesterday at the Faber international textile exhibition, said it was now "highly

likely" that the U.S. would seek further to restrict imports.

"There is no way in which the industry can accept a flood of imports diverted from the U.S. on top of the growing access we already provide," he said.

European markets are already constricted, with demand for textiles and clothing expected to rise in volume by only 1 per cent annually, according to the BTC.

The BTC's warning came amid fears that a rise in sterling is already slowing down recent improvements in British exports of textiles and clothing.

Mr Ian MacArthur, the BTC's director, said that in the first six months of 1985 exports showed a 17 per cent increase in volume over the same period last year. But, he added, "there are pointers in the latest trade figures which suggest that the pace of increase has fallen off."

British textile manufacturers are particularly concerned about fresh U.S. restrictions because of the current negotiations aimed at renewing the Multi-Fibre Arrangement, which governs 80 per cent of world textile trade but is due to expire next July.

REFORM PACKAGE NOW IN DOUBT

Portable pensions plan threatened

BY ERIC SHORT

IF MR NORMAN Fowler, the Social Services Secretary, drops his plan to abolish the State Earnings-Related Pension Scheme (Serps) which he has said he will reconsider, there is a serious possibility that he will be forced to abandon the linchpin of the whole reform package - the introduction of personal pensions for all.

Proposals for a system of personal pensions were first put forward for public consideration in April 1983 in a paper by Mr Nigel Vinson (now Lord Vinson) and Mr Philip Chappell entitled "Personal and Portable Pensions for all".

Its main theme - that employees should be able to opt out of their employers' pension scheme and Serps and make their own pension arrangements - was quickly adopted by the Government, presumably because it conformed with its privatisation philosophy.

Mr Fowler brought the subject into his review of the social security system, setting up a special sub-committee with the sole brief of investigating personal pensions.

The result was the publication in July 1984 of his proposals for bringing about personal pensions in a booklet entitled "Personal Pensions: A Consultative Document".

The philosophy expressed in that document was that personal pensions would operate within the existing pensions structure, being an

alternative to Serps and company schemes.

This document put forward some suggestions as to how a personal pension system could permit contracting out of Serps. However, the response by all sections of the pensions industry was that contracting-out personal pensions from Serps on an equitable basis was either impossible or would be so complicated that it would be an administrative nightmare.

Legal and General, Britain's largest pensions company put forward the germ of an idea for a system of contracting out, but even that looked administratively messy.

A subsequent Green Paper (discussion document) published in June 1985 proposed the ending of Serps and its replacement by personal or company pensions. Mr Fowler said this was because of the likely high costs of Serps in the next century, but opponents believed the real reason was to make the personal pensions proposal administratively possible. So long as Serps remained in place it would impose a complete barrier to the introduction of personal pensions, they said.

This problem still remains if Mr Fowler now abandons the abolition of Serps. Modifying Serps may resolve the cost problems existing in the next century, but will not change the immediate problem of

reconciling Serps with personal pensions.

What can Mr Fowler do? At this stage it is very difficult to envisage other than two main courses of action. Either he must adopt a very simple and crude condition for contracting out, such as requiring that a person make a minimum level of contribution into a personal pension with the danger that this would be set too high or low. Or he will have to drop the whole idea of allowing personal pensions as alternatives to Serps and company schemes.

One thing appears clear: Mr Fowler is not going to get any help in solving the bureaucratic problems. The supporters of personal pensions were full of enthusiasm for the concept but short of ideas on how to put it into practice, while the practitioners - life insurers, pension fund managers and pension consultants - were unanimous in telling him that it could not be done.

The problem facing Mr Fowler is that he is trying to equate two completely different pension systems. Under Serps the employer and employees pay fixed contributions, and the pension is based on the employee's earnings over his working life. Under personal pensions, the employer and employee pay contributions which may vary and the pension at the time of retirement will depend on investment conditions both during the employee's working life and at retirement.



Mr Norman Fowler

tions both during the employee's working life and at retirement.

By this time Mr Fowler and his civil servants must be well aware that there is no equivalence and not even try to seek it by trying to determine contracting-out terms for personal pensions. Fixing terms could give rise to further problems of employees switching in and out of Serps (at a cost to the taxpayer) because at certain times of their life the difference between the schemes would make it financially advantageous to do so.

Interest rate quotes prompt inquiry by Bank of England

BY GEORGE GRAHAM

THE BANK of England is examining the way banks quote interest rates to private depositors, after complaints from smaller banks over the calculation methods used by some leading commercial banks.

Banks have been calculating gross equivalent compound annual rates in two different ways. While the gap between the two figures is usually only a fraction of a percentage point, even this small margin has been a potent weapon in the battle to attract investors' funds.

Disagreement arises from the introduction of Composite Rate Tax (CRT) earlier this year on bank deposit accounts, which means that all resident depositors now receive interest net of basic rate income tax of 30 per cent.

Building societies, which have been subject to CRT for years, have been accustomed to quoting a "gross equivalent" rate, the amount that a basic rate taxpayer would have to earn elsewhere in order to receive the same return net of tax.

If the gross equivalent is calculated before compounding to take account of the frequency with which interest is credited, the result is higher than if compounding is carried out first. Since the latter method reflects what the depositor actually receives it is the one recommended by the Building Societies' Association (BSA).

The British Bankers' Association has so far said both methods of calculation are acceptable, although it is considering the subject. But it claims that the subject is more com-

plicated than it looks is dismissed by the BSA. "It is perfectly simple," said Mr Mark Boleat, the association's deputy secretary-general.

Barclays Bank has stopped using compound gross equivalent rates in its advertising, but Lloyds Bank and Midland Bank confirmed that they were still using the calculation method not accepted by the building societies.

Among the money market bank accounts quoted in the FT, only Bank of Scotland, Britannia/Cater Allen, Citibank, Co-operative Bank, M & G Kleinwort Benson, Sava & Prosper/Robert Fleming and Western Trust & Savings are using the BSA approved method, which is expected to be adopted eventually by the British Bankers' Association.

The UK accountancy profession has given its broad support to two of the three sets of proposals put out by the Bank of England to strengthen supervision of the banking system.

The Institute of Chartered Accountants of England and Wales yesterday published its response to suggested changes in the Banking Act, and to the introduction of new rules limiting large exposures taken by banks. It said it supported most of the proposals but was opposed to the abolition of the present distinction between recognised banks and licensed deposit-takers because the universal use of the name "bank" might mislead depositors about who they were dealing with.

Honda restructures British management

BY JOHN GRIFFITHS

HONDA (UK), the wholly Japanese-owned importer of cars, motorcycles and power products, is undergoing a substantial management and operating restructuring.

The company said it was not linked with the abrupt departure in August of Mr Gerald Davison, UK director, who resigned after what was described as a clash over policy at board level.

Until his departure, Mr Davison had responsibility for virtually all Honda (UK)'s sales and marketing operations, with 19 managers reporting to him directly. He was the senior British figure on a small board of mainly Japanese directors, led by managing director Mr Toshio Nagai.

Under the new structure, seven divisional managers have been appointed who, with the Japanese directors, will form a senior management group.

Mr Trevor Elliott, newly appointed manager of the cars division, said the intention of the new structure was to tackle more efficiently

the specialised markets for cars, motorcycles and power products.

Honda's car business is proving a substantial success, with its dealers retaining a relatively high level of profit from restricted sales volumes.

Its 160 dealers expect further benefits from the launch next year of the XX executive car developed jointly with Austin Rover.

In contrast, the UK motorcycle market is in severe and still apparently worsening recession, with sales this year expected to be only 40 per cent of the levels achieved in 1980.

The departure of Mr Davison, who is widely credited with restoring order to the motor cycle trade and persuading car dealers to make substantial investments in their facilities, caused a flurry of concern through both networks.

Labour plans greater emphasis on science

A FUTURE Labour Government would consider creating a new Cabinet post of minister for science to knit together Britain's policies on science and technology, Mr Neil Kinnock, the leader of the Labour Party, said last night.

Addressing the International Science Policy Foundation at the Royal Institution in London, Mr Kinnock said that the new minister would ensure a greater visibility for science policy at Cabinet level. He or she would take charge of decisions over allocation of resources to science, for instance through Britain's research councils.

The minister for science could be aided by a new council on science and technology, a body representing the research councils, the University Grants Committee and government departments covering planning and economic issues.

The current Government has no Cabinet-level minister for science, although Mrs Margaret Thatcher, the Prime Minister, has said that, as a trained chemist, she looks after the interests of science in top-level Government discussions. Policies in this area are the responsibility of ministers at the Department of Education and Science.

Mr Kinnock also said that a future government would consider the creation of a permanent commission similar to the U.S. Congress's Office of Technology Assessment which would study the impact of technology on society.

The Labour leader said a key factor in the future growth of Britain was the ability of the country to fund basic and strategic research and to find mechanisms to translate the "excellence and dedication" of UK scientists into useful technology.

WELLCOME Foundation, the leading UK pharmaceutical group which is to come to the stock market early next year, has appointed Dr Ronald Cresswell as head of research. The post is of particular importance for Wellcome, which has a worldwide reputation for research. Its previous research head, Nobel Prize winner Sir John Vane, resigned last month. Another distinguished researcher, Sir James

Black, resigned from the post of head of therapeutic research a year ago.

Dr Cresswell, 51, is presently chief executive of the joint Wellcome/ICI subsidiary Cooper's Animal Health. He has spent most of his working life with Wellcome's U.S. subsidiary, Burroughs Wellcome.

MR MERRILL LYNCH, the U.S. securities group, yesterday appointed Mr David Rochester, to head its UK equity trading operations in London.

Mr Rochester, 45, is at present director of international strategy and market planning of Merrill Lynch International in New York. He is moving to London to become a managing director of Merrill Lynch Europe. In addition he has been appointed chief executive officer of Merrill Lynch UK Securities.

GOODYEAR TYRES is to increase output of truck tyres at its Wolverhampton factory in the West Midlands, creating at least 350 jobs over the next few months. Goodyear has been through a difficult period during the past few years, cutting its workforce at Wolverhampton from around 6,000 to 3,600, mainly as the result of poor demand.

It recently invested around £25m in new manufacturing equipment and plant modernisation. The chairman, Mr Louis Di Pasqua, said yesterday: "This has led to greater job security for employees and made us more competitive, which is necessary in the world wide market environment."

CHASE MANHATTAN Bank's London-based merchant banking arm has been appointed an adviser to the Transport Secretary on the proposed link, across the English Channel.

Chase says it believes this is the first time a foreign-owned merchant bank has been engaged in an advisory role involving the UK Government.

Chase Manhattan was selected by Schroders, the merchant bank which is acting as principal adviser on the project. Chase will be providing an opinion on the financing proposals submitted by the project's promoters.

The Government and the Manpower Services Commission are pleased to announce the names of those organisations who have received a Fit for Work Award in 1985. An Award is given to those who have done most for disabled workers in the last twelve months by implementing constructive employment policies. Assessment is on an evaluation of the organisation's record and performance in accordance with six simple guidelines: Full and fair consideration of disabled people for all types of vacancy; Retention of newly disabled employees wherever possible, after rehabilitation or training if necessary; Equal opportunities for disabled workers for training,



career development and promotion; Modifications to equipment, the use of special aids to employment and job restructuring if needed to help the employment of disabled workers; Adaptation of premises where necessary; Close co-operation with the local jobcentre.

Employers with constructive employment policies for disabled people are invited to take part in next year's Fit for Work Award Scheme. Details can be obtained from the Manager, Central Awards Unit, Manpower Services Commission, Room W1030, Moorfoot, Sheffield S1 4PQ. (Tel: Sheffield (0742) 704511) or from your local jobcentre.

'Fit for Work' Awards 1985

Abbey Hill Vehicle Services
Laura Ashley Ltd (Oswestry)
Assembly and Automation
Electronics Limited
Barclays Bank
(Local Head Office) plc, Reading
Basildon District Council
Geo Bassett & Co., Ltd
Max Bernstein & Son Ltd -
Light Clothing Manufacture
Bonnella Switches Ltd
The Boots Company plc, Airdrie
Bovis Construction Limited
British Aerospace, Samlesbury
British Aerospace plc -
Army Weapons Division
British Steel Corporation,
Teeside Works
Matthew Brown plc,
Blackburn - Bevans
CMT Wells Kelo Ltd -
Tty manufacturer
Cadbury Ltd, Keynsham
Camtex Fabrics Ltd
Compair Power Tools Ltd
Cossor Electronics Ltd
Courtauld Technical & Industrial
Fabrics Ltd, Carlisle
Cranfield Institute of Technology,
Department of Fluid Engineering and
Instrumentation
DAKS - Simpson Ltd
Manufacture of Gents Clothing
Davies Products Ltd -
Try and Hardware Importers
Dorcon Roller Ltd -
Manufacture of Steel Rollers
Duraplug Electricals Ltd
East Kilbride District Council
H Edgard & Sons (London) Ltd
Ferranti plc (Scottish Group)

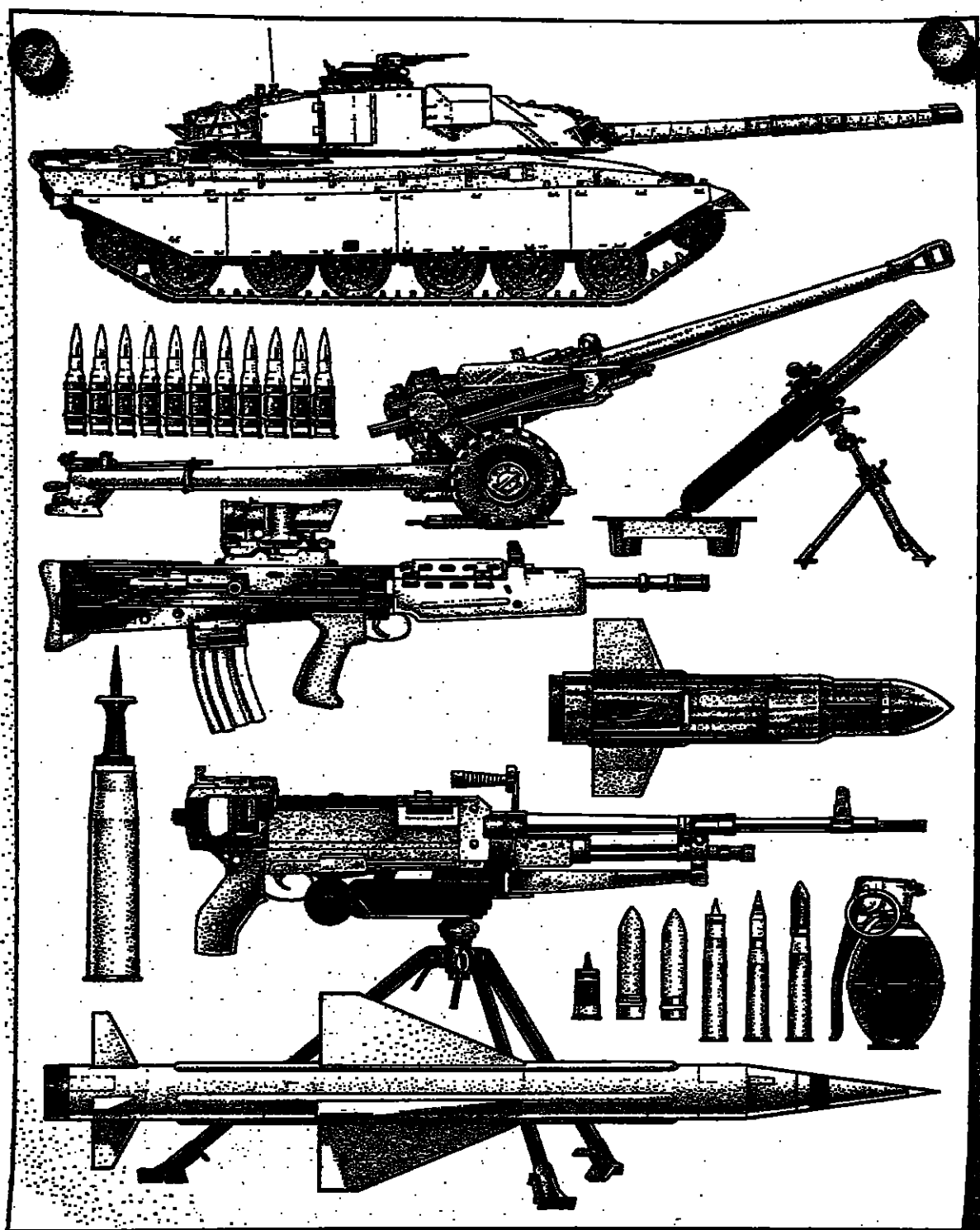
Footprint Tools Ltd
Gordon Ford, Stockport -
Garage
GEC Measurements Ltd, Stafford -
Electronic Equipment Manufacture
Goodlass Wall & Co Ltd -
Paint and Varnish Manufacture
Grampian Country Chickens
(Bucksburn) Ltd
Guest & Chrimes Ltd -
Waterworks Equipment
Hobourn Eaton Ltd -
Light Engineering
IBM United Kingdom Ltd, Greenock
ICI plc, Mond Division -
Lime Quarrying and Processing
Irvine Development Corporation
Kent Industrial Measurements Ltd -
Instrumentation Manufacture
Lakeland Pennine Group plc -
Linen Hire/Laundry
London Borough of Lambeth
Lancaster City Council
Lantor (UK) Ltd -
Fabric Manufactures
Patrick Lester Ltd -
Gown Design and Manufacture
Lion Systems Development Ltd -
Data Communications Systems
Llanelli Borough Council
London Overseas Mail Office
Leisure Wear Manufacture
McDonalds Catering Foods Ltd
A H McIntosh -
Furniture Manufacture
M & F Components Ltd -
Motor Accessories
ML Engineering (Plymouth) Ltd -
Railway Signalling Equipment
Mangnese Bronze Ltd -
Precision Engineering

Marconi Secure Radio Systems Ltd,
Dunfermline
Marconi Underwater Systems Ltd,
South Wirral - Weapon Systems
Mack & Spencer plc,
Church Street, Liverpool
Albert Marston & Co Ltd -
Building Hardware Manufacture
J & G Meakin,
Member of the Wedgwood Group -
Creative Tableware Manufacture
Metal Box Engineering,
a Division of Metal Box plc
Monklands District Council
NEI Mining Equipment Ltd,
Reynolds Belmos
The Nestlé Company Ltd, Stranraer
Newman's Footwear Ltd
North Western Electricity Board
Oldham Batteries
Oldham Head Post Office
Oldham Metropolitan Borough Council
Osram (GEC) Ltd, Oldham
Plessey (Telecommunications),
Liverpool
H W Poole & Son Ltd -
Surgical Footwear and Appliance Makers
Power Equipment Ltd -
Sound Proofing Engineers
Preformed Line Products
(Great Britain) Ltd -
Communications Engineers
Prestwick Circuits Limited -
Printing Circuit Boards Manufacture
Provincial Insurance plc, Kendal
Prudential Assurance Co Ltd, Reading
Queen of Scots Knitwear
Quinton Hazell (Automotive) Ltd -
Car Component Manufacture
RHP Bearings Ltd, Blackburn
RHP Industrial, Newark -
Industrial Bearing Manufacture

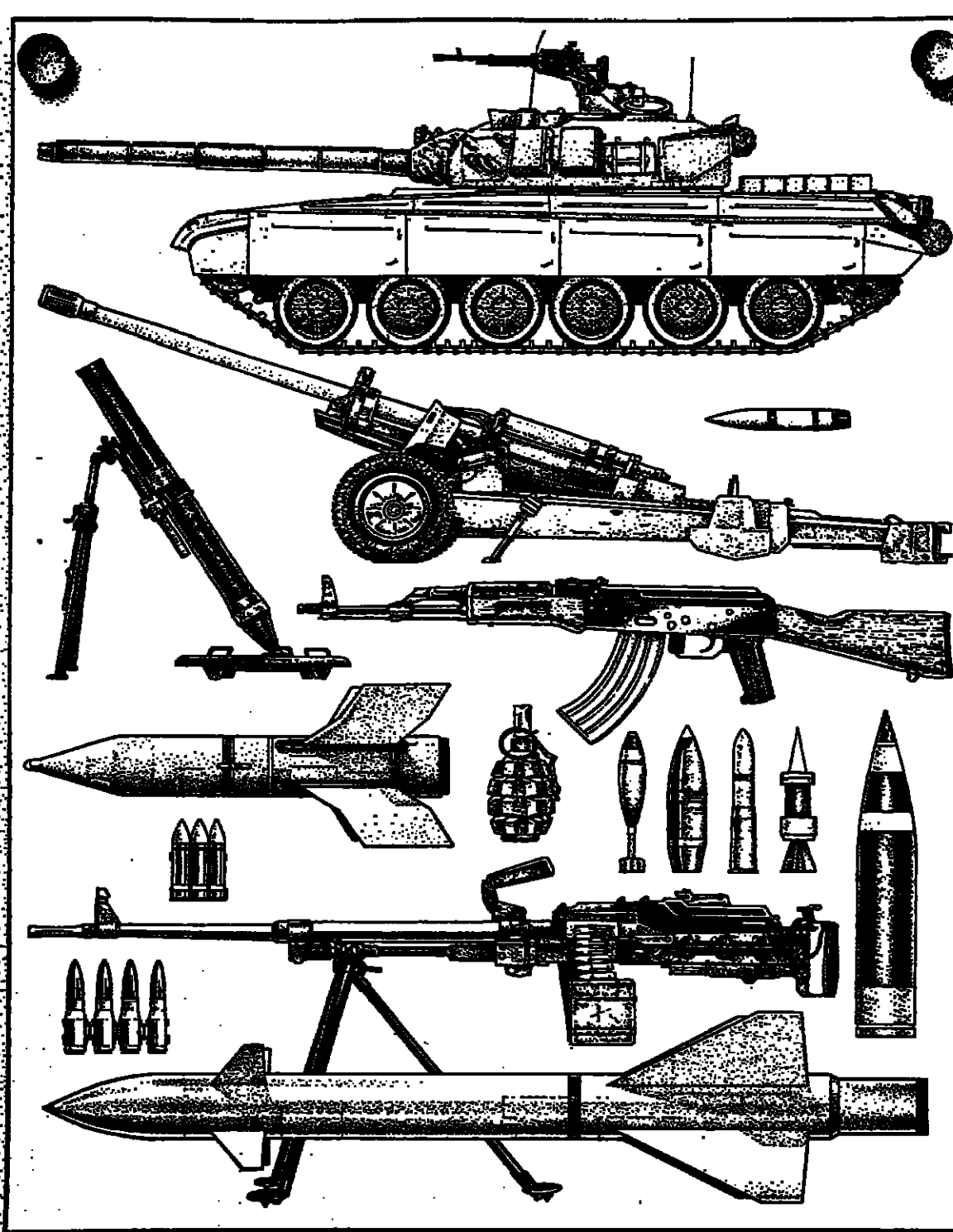
William Reed Weaving Ltd -
Nylon and Ribbon Manufactures
Belyon Ltd -
Bedding, Furniture and Foam Manufacture
Rolls-Royce Limited, Leamington
Rowntree Mackintosh plc (York) -
Chocolate and Confectionery
Signode plc -
Tensional Steel Manufacture
J W Singer & Son Ltd -
Brass Components Manufacture
Sintacel Ltd -
Scientific Equipment
John Smedley Ltd -
Spinners and Hosiery Manufacture
Smith Bros (Whitehaven) Ltd -
Paper Conversion
Smiths Industries Aerospace &
Defence Systems Co,
Cheltenham Division
G Stephenson
(Builders & Contractors) Ltd
Sterling Metal Limited -
Rumblers and Castors
Strathclyde Regional Council, Social
Work Department (Glasgow Area)
TI Interlock Limited -
Industrial Clutch and Brake Manufacture
Tuppen & Jones Ltd -
Glass Design and Manufacture
United Air Coil Ltd -
Head Transfer Equipment
Wales Gas
James Walker & Co Ltd -
Seal & Gasket Manufacture
Wear Valley District Council
County Council of West Midlands
George M Whitley Limited -
Metal Roll Packaging
Wood Wet Knives Ltd -
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Manpower
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NATO



WARSAW PACT



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Les Misérables/Barbican

Roy Strong



We know this for Ducros maintained what can be described as factory production. Born in Switzerland and trained in Geneva, he arrived in Rome in the middle of the 1770s at precisely the moment when the city was teeming with artists, including kindred souls from

The English mildreds were noted for their penchant for these flashy works. If nothing else they certainly exuded expense. In this way Ducros inherited the mantle of Piranesi, Hubert Robert and Pannini but provided his customers with an

might pause to contemplate the splendour of the setting provided for these works of art at a time when the Papacy was decidedly hard up, and reflect on the shabby penury to which our own museums have been reduced during a parallel period.

The Tamin

Colm Wilkinson

This is an unforgettable Act 1 finale, one of the best I have ever seen. After the interval the 1832 barricade is occupied by the outcasts and underdogs, "Les Miserables," led by the insurgent anarchist group to which Marius is now committed. The heart and Valjean continue their curious, symbiotic relationship. Valjean rescues the wounded Marius and descends to the sewers. Death and destruction are followed by a deathbed reunion of the central

B. A. Young

It is as non-Elizabethan as *Titus* came from the RSC, though the text is played untouched, save for one or two asides to the audience and the addition of the Epilog from *The Taming of a Shrew*. Dressed by Ginny Humphries in costumes that evoke the style of the 16th century but do not really reproduce it, the playing suggests the com-

There is much cross-gendering in the cast. Kate and Bianca are played by Mark Heap and Graham Christopher; Horrensia, Lucentio, Tranio and the visiting Pedant are all women under their cloaks. Petruccio is a man, Mark Saban, and as he is

round by Ravenscroft fit beautifully into the action, and there is good incidental music for fiddle and flute, played by a musician slated as Will D. Fende. The production is on tour until the end of November; next week it will be in Canterbury, then to Hull. It is worth making every effort to see.

Charlotte Keatley

pullers. She has certainly succeeded in attracting young people to the theatre but her scissors, glue and glitter job on the classics brings them down to such a basic common denominator that the artistic individuality which made them Greats in the

has the best singing voice of the evening: Puccini's songs, played by Scarpia's henchmen who double as orchestra, placed cunningly around the audience so as to cast menacing shadows on the theatre walls, are the redeeming feature of the production.

Cavaradossi wears a red velvet jacket and a cravat but no shirt. Such inconsistency typifies a production that fails to signal whether Tosca's story should move us to laughter or tears. The final impression is of a cast which is as confused as the audience, some of whom were tittering. What chance does Nicky Furre have as Tosca, singing "I want a state pass so that we can leave together," in a fibreglass grotto?

Aldeburgh charity auction

sold for £1,100 (top estimate £300), and the Wisdens for 1866 and 1867, bound as one, made the same sum.

Sotheby's auction of 19th century paintings yesterday was remarkable for the high prices paid for the two top lots. "Indolence" by Guillaume Seignac sold for £24,200, as against a £8,000 top estimate, probably because it depicted a sultry nude, and an Arab street scene by Federico Bartolini went for £20,900, compared with £1,000-£1,500 estimate, because of the current popularity of orientalist pictures.

In the auction of vintage port at Sotheby's, most interest was shown in the younger ports of the 1970s and in 1963. A dozen bottles of Qunita do Naval 1963 sold for £770 and two dozen bottles of Croft of the same year went for £605. Taylor of 1963, two dozen bottles, realised £140.

The National Gallery of Scotland has not given up hope of keeping Mantegna's painting "The adoration of the shepherds" in this country. It was bought by the Getty Museum of Malibu, California at Christie's last April for £8.1m, but a six month stop was placed on its export to give a British institution the chance to match the price.

It is believed that the National Gallery of Scotland has received promises of around £4m and it plans to exhibit the painting in Edinburgh later this month. If there is a good public response to its appeal there is a possibility of the minister for the arts further delaying its export.

Exhibitions

WEST GERMANY

plays 2,000 paintings, photographs and costumes from various countries through the ages. Ends Oct 10.
Ludwigshafen. Wilhelm-Hack-Museum, Berliner Str. 23: "Apoca-

Sir Joshua Reynolds: The artist's first exhibition ever in France, organised with the London Royal Academy and British Council's aid. It follows the Gainsborough and Turner exhi-

Germany). This is the first time the collection has been shown publicly. Exhibition also includes engravings by Durer, Rembrandt and Japanese artists. Ends Jan 11.

Kandinsky's work, organised by Thomas M. Messer. On show are over 200 hundred works: watercolours, oils and drawings, all produced during the last 10 years of Kandinsky's

TOKYO
Spanish Paintings of the 16th and 17th centuries: 45 oils by masters such as El Greco, Murillo, Velasquez, Zur-

including lesser known artists such as Carlo Bertocci and Patrizia Cantalupo as well as the well known Sandro Chia, Mimmo Paladino and Carlo Maria Mariani. Ends Jan 3.

The volumes for the first 14 years were facsimiles. The Cricketers Almanack for 1864 and 1865, bound in one volume.

public response to its appeal there is a possibility of the minister for the arts further delaying its export.

1. *Journal of the American Medical Association*, 1997; 277: 1039-1043.

Why Sir Siegmund fascinates the French

CLIMBING fast up the best-seller list in France is a new book which speaks volumes about the sharp changes in the country's economic and social attitudes during the last four years. It is a long admiring biography by M. Jacques Attali, one of President François Mitterrand's closest advisers, of Sir Siegmund Warburg, the former chairman of S. G. Warburg and probably the most creative merchant banker of his generation.

The book has aroused immense curiosity in France because it comes from the heart of a Socialist administration to which only four years ago nationalised the bulk of the nation's private banks and denounced the malign influence of financiers in defending class privilege and wealth.

The nationalisations reflected a long history of French distrust of bankers—who like bankers have often been the target of popular rioting. The most recent victim of this populist backlash was M. Pierre Moussa, the former head of Paribas, another successful merchant banker, who was characterised as something of an ogre by the left and hounded from office after ensuring that Paribas Swiss escaped the nationalisation net.

The book has also stirred interest in France because M. Attali has given it the provocative title of "A Man of Influence." That reflects his

fascination with a man who used the trade of international banker to try to shape the times in which he lived. M. Attali writes of Siegmund (who treasured his role as confidante to governments and was notably close to Harold Wilson during his period as British Prime Minister) as believing that money could be used as a rational instrument of change.

But French critics have inevitably drawn parallels between the Siegmund-Wilson relationship and M. Attali's position as privileged courtier. M. Attali says he wrote the book because "I wanted to know more about one of the great successes of capitalism." His interest was stirred when he went to work for First National City Bank for a short period in 1968 and became aware of S. G. Warburg's role as one of the leading institutions in the Euromarkets.

Later he read the interview that Siegmund gave to *Le Monde* in 1968, in which he spoke about himself at length—and found him an "extraordinary individual."

In September 1981, when M. Attali had moved into the Elysée—in the office next to the President—as a special adviser, he had the chance to meet Siegmund for a couple of hours. It was the period when the first devaluation of the franc was on the horizon and when the Socialists were

preparing their nationalisation measures.

Siegmund "had a direct interest in the proposals because S. G. Warburg had some years previously entered into extensive tie-ups and cross-shareholdings with Paribas as part of a three-way relationship with Becker of the U.S. M. Attali declines to divulge what passed except to say that the conversation was "passionately absorbing."

Almost two years later Warburg

David Housego in Paris on the enigmatic biographer of Warburg

and Paribas went their separate ways.

"M. Attali is so far the only person to have been given access by the Warburg family to Siegmund's private journal—a document of 300 to 400 pages of ideas and reflections. Siegmund had once thought himself of writing an autobiography. But M. Attali says that a friend of Siegmund who saw a draft manuscript on his table also heard him say, 'I am giving it up.'"

A German-born Jew and intellectual who was always something of an outsider in the City of London, Siegmund was the most successful merchant banker of his day and

the most inventive.

After the war he built S. G. Warburg from virtually nothing, making it to become the most profitable of the London merchant banks. He pioneered the first Eurodollar bond issue (a \$15m loan to Autostrade Italiana in 1963) and the technique of hostile takeovers with the purchase of British Aluminium by Reynolds and Tube Investments in 1969.

His originality lay in the way he discarded the conventional

practices of the City of London. "I don't want to do things the way other people do," he wrote in his journal. "I have no model. I do things my way."

M. Attali sets Siegmund's career against an ambitious panorama of the development of merchant banking, the shifting fortunes of the Warburgs as a Jewish family and the turbulent history of the 20th century.

But what clearly fascinates him most is the merchant banker's easy familiarity with the international corridors of power.

M. Attali himself is something of an enigma in the French administration. He describes himself as "an in-

tellectual, who would hope to be a scholar: a university professor who had the good fortune to be involved in politics."

As special adviser to the President he has no departmental responsibilities but he has the President's ear.

His role is ambiguous because it is not always clear how much he is the President's intermediary and how much his own master. It is a role that has earned him a good deal of distrust within the administration where at different times he has been characterised as the President's ombudsman, his evil genius, his personal think tank or his intellectual courtier.

Now 42, he graduated from the École Nationale d'Administration (ENA) among the top few students of his year. Shortly afterwards he slipped into M. Mitterrand's personal team while the Socialist leader was still in opposition. Shy, secretive, sensitive to criticism, he also bubbles with charm and wit. His eyes twinkle nervously behind his large spectacles.

He has been responsible for some of the successful initiatives of M. Mitterrand's presidency as well as some of the failures. He was the author of Eureka, the French proposal for technological collaboration in Europe, and it was he who urged the President in 1983 to go public in a 1 per cent cut in the tax pay-

ments in relation to GNP as a way of bringing public spending under control. Among his least successful projects was an arbitrary cut in the French working week from 40 hours to 39.

He is also the President's "sherpa" for the preparation of the annual summits of the industrialised nations. As such he clashed sharply with the U.S. team in the run-up to the Bonn summit in June this year over U.S. insistence on setting a date for the beginning of a new trade round.

M. Attali's book is his 11th and the third he has written since being at the Elysée. He says he gets up at four or five in the morning to do his writing and research before reaching his office. But his book is a departure from his other works which have been largely philosophical or economic.

Does his admiration for Siegmund reflect a wider shift in France towards valuing more the banker's trade? M. Attali cautions against basing current political interpretations on an historical work—though many of the issues in which Siegmund was deeply involved, such as the indebtedness of pre-war Germany or the devaluation of sterling, have close parallels with the problems that have passed across M. Attali's desk at the Elysée.

But he thinks that the book's expanding sales in France do reflect a fresh importance



Attali: shy, secretive and sensitive.

attached to individual success "whether it be to the success of artists, business leaders and—why not?—of financiers." When he does leave the Elysée, M. Attali expects to return to university life. The ambitious project he one day hopes to complete—and which he announces in the introduction to his life of Siegmund—is a history of the Jewish people.

Jokers hope to reach the top of the Belgian pack

KAREL VAN MIERT can win and yet not gain power. Guy Spitaels can gain power without needing to win. They are the jokers, these two Socialist leaders, in the Belgian political pack.

They have been trying to persuade an indifferent Belgian electorate that next Sunday is the day for change, the day when the centre-right should move over to make way for the centre-left.

Belgians will be electing a new Chamber of Deputies, a new Senate and regional executives in Dutch-speaking Flanders and French-speaking Wallonia.

The Chamber holds the national political key. At the moment the Flemish Socialists, led by Mr van Miert, have 26 seats and the French-speaking Socialists, led by Mr Spitaels, have 35. They are the two biggest opposition parties and both in the mainstream Social Democratic tradition. To have a change of reaching power, they have to dent the majority

of the Christian Democrats and Liberals of both linguistic backgrounds.

Between them the Christian Democrats and Liberals have 113 seats in the 212-seat Chamber, giving a comfortable but not overwhelming majority to the coalition led by Mr Wilfried Martens, a Flemish Christian Democrat.

The Government used this majority in 1982 to take special powers, so that economic measures could be taken, bypassing lengthy parliamentary processes. The coalition devalued the Belgian franc by 8.5 per cent and embarked on a policy decisively to shift resources from the consumer to the corporate sector.

Since then there has been a marked revival in Belgian competitiveness, a substantial refinancing of the corporate sector and a dramatic improvement in the balance of payments. At the same time, the Government has sought to bring a spiralling official deficit

under control. It has had partial success, not stopping a rise in absolute terms but reducing it in terms of the percentage of national product needed to pay for it.

But there has been a cost. Unemployment leaped and has stabilised at around 13.5 per

cent, one of the highest levels in the European Community.

Consumer purchasing power has been reduced and wage rises have been curtailed.

While the Government had special powers it looked more decisive than any Belgian coalition for a decade. But this year there has been no special power. With the broad lines of its policies in place, the coalition has seemed to drift, increasingly prone to internal

dispute. And this apparent lack of cohesion helps give the Socialists a chance.

"If we can repeat our Euro-election result," said Mr van Miert of the 1984 poll, "we'll gain 7 to 8 per cent on our 1981 figures." That was the last Belgian general election.

Belgium goes to the polls on Sunday. Paul Cheeseright reports

Such a gain would set into the position of the Christian Democrats and Liberals in Flanders and have the effect of nearly eliminating the national majority.

Mr Spitaels is more circumspect. For him, the effect of boundary changes in the south makes the result too hazardous to call. Mr van Miert has been riding

on the tide of natural dissatisfaction in an electorate which had forgotten hardship and then found its purchasing power cut. But so too has Mr Spitaels.

Mr van Miert has also tapped the anti-militaristic vein in Flanders with a campaign against the siting of cruise missiles in Belgium.

Should the Socialists in Flanders weaken the position in the Chamber of the Christian Democrats and the Liberals, then the balance of power shifts and a Socialist element in government looks inevitable. At this stage, enter Mr Spitaels.

He is prepared to go into power without the Flemish Socialists. "I don't want it, but it is physically possible," he said. Looking to future coalition negotiations, when promises to the electorate, when

anyway to fade, he said: "It is easier to negotiate on an economic level with the (Flemish) Socialist Party there than without it." Both accept a need for selective

reflation, but while the French-speaking Socialists would pump BFRs 40bn into the economy over four years, the Flemish Socialists would pump in BFRs 100bn.

Neither is suggesting that the economy should be let loose, so both are seeking not root-and-branch change, but substantial modification in the restraint policies followed by the outgoing Martens coalition.

The division among the Socialists on communal questions is repeated among the Christian Democrats and Liberals. The fact that the parties in the Martens coalition agreed to put differences on communal policy in the freezer was one of the reasons for its uncharacteristic cohesion, at least until this year. They concentrated on the economy.

The communal difference, then, need not be a barrier to the Socialists coming together in a new government—there has to be a linguistic balance in a Belgian cabinet—if they can sort out their other arguments.

Protectionism and China

From the Director, Council for North American Affairs.

Sir—I think it is important to address several points raised in the September 25 article by Robert King. "Taiwan sees itself 'off the hook' over unfair trade."

To demonstrate our concern with the U.S. trade deficit and allegations of unfair trade practices, we are using all of our abilities to reduce our trade surplus with the United States and eliminate barriers to trade. To this end, we have sponsored 10 procurement missions to the U.S. resulting in \$7.4bn in U.S. exports to the Republic of China since 1978. We continue to provide the American Trade Center in Taipei with free office space and professional assistance in the promotion of U.S. products in Taiwan. Additionally, the Board of Foreign Trade is again sponsoring the U.S. Products Exhibition (USPRO) in Taipei next March. Tariffs on 4,910 consumer items of interest to the U.S. have been reduced. Anti-counterfeiting laws and their enforcement have been strengthened significantly. Mr King's article overlooked entirely these points which serve as strong indications that we are very much interested in world trade problems and are taking concerted actions to support the proposition of fair trade.

The Republic of China continues to approach the Congressional and Presidential concerns with a high degree of seriousness. We trust that the legislative and executive branches will have dire and depressing effects upon the world trading community at large.

Benjamin C. Lu, 4301 Connecticut Avenue NW, Suite 420, Washington DC 20008.

Jumping in Thames

From the Public Relations Director, Thames TV.

Sir—Lex is entitled to comment on issues of the day but is not entitled to make claims which are factually inaccurate, or comments which misjudge the facts. In the paragraph "Lex talks of Thames 'controlling' with the aid of two strikes to turn \$10m of advertising into a \$5m domestic loss." This suggests that Thames sought these strikes and that their result was entirely harmful. In fact Thames accepted the inevitability of the strikes, but did not seek them, in order to achieve more sensible and more economic working practices.

Thames TV

Letters to the Editor

have now been achieved and Thames' efficiency and profitability will improve as a result.

Lex also claims that Thames was able "to earn only half as much on overseas sales as it reasonably could." It would be interesting to know on what evidence Lex bases this claim. Thames overseas income in the year in question was more than \$25m, which is as much as the other TV companies together and as much as the BBC with its far larger programme output.

Indeed the success of Thames overseas sales was recognised in 1984 by the achievement of the Queen's Award for Export Achievement. Donald Cullimore, 308-316, Euston Road, NW1.

Industrial training

From the Secretary, Institution of Production Engineers.

Sir,—It is encouraging to read (October 7) that the Government has committed a further £22.5m to the training of engineers and technologists.

This institution has been campaigning for several years for greater investment in the talented young people who will be needed to restore Britain's manufacturing industry when North Sea oil, on which our economy is currently based, goes into decline in the 1990s.

An overall investment of \$65m over the next five years is, however, pretty miserly when compared with what is at stake. If Britain is to have any future at all after the turn of the century, we will need to use all the skills and talents available to us.

Certainly, industry must play its part as Sir Keith Joseph says. But stimulating and worthwhile careers in industry can only result if the Government is active in its support of manufacturing industry. R. J. Miskin, 86, Little Ealing Lane, W5.

Information on pensions

From the Immediate Past President, Chartered Association of Certified Accountants.

Sir—Readers would have been surprised to see in Eric Short's review (October 3) that the Chartered Association of Certified Accountants "has also

criticised the Government's proposals that pension schemes should disclose information to members."

The criticism was directed to the range of information which would have to be provided to members. To the best of our knowledge, no UK pension scheme currently meets the proposed requirements. Imposition of compulsory obligations on the scale suggested by the DIES constructive document would add considerably to the cost of pension administration and be in conflict with the Government's declared intention of reducing burdens on business.

Members of pension schemes are entitled to have access to information that directly concerns their scheme and their benefits, but trustees and employers should not be confronted with unnecessary requirements. F. E. Bissdale, 29, Lincoln's Inn Fields, WC2.

The French are here

From the Managing Director, Crédit Commercial de France (Securities).

Sir—It would appear that the pace of change in the realignment of City institutions has proved too great for some of your correspondents' descriptions. In your issue of June 7 you described Crédit Commercial de France's planned acquisition of part of Laurence Prust and of a stake in Framlington as "the first major foray by a large French bank in the soon-to-be deregulated UK financial market." On October 7, however, your City Correspondent described Paribas' pending acquisition of Quilter Goodson as "the first significant deal carried out by French interests since the London financial services revolution began."

While we wish our friends in Paribas every success in their new venture we are sure that they would be the first to admit that modesty and accuracy would preside there from claiming such a "first."

Peninsula House (7th floor), 36, Moynihan Street, EC3.

Too easy by half

From Mr G. Goy.

Sir—Mr Richard (October 4) refers to the waste of police

time in catching car tax dodgers, he could have added other advantages in putting the tax on fuel rather than on the vehicles themselves.

After all, the obvious one to the Excisequer of collecting an extra £90m at no cost, since the mechanism is already there, there would also be a contribution by continental governments who use our roads that were not built to take them, and the inequity of the "banger" and the Rolls paying the same tax would be avoided. Those who used larger vehicles or covered higher mileages would pay higher tax.

All this, however, overlooks the problem of what to do with all those forms circulating round the country, and what would become of the sophisticated computerised systems and their operators, we live in an age of forms, computers and the need for their not just for outwards logic and economics.

Geoffrey R. Foy, 86, Westwood Avenue, Lowestoft, Suffolk.

Wealthy people

From Mr L. Gordon.

Sir—Margaret Hughes' excellent article on our survey of personal wealth in the UK (The best ways to get rich, (October 5)) contained one paragraph which might be open to misinterpretation. We did not intend to imply, for example, that solicitors were likely to be wealthy than farmers. There are indeed greater numbers of the former than the latter but the relevant table in our report merely listed the approximate number of people in those occupations which are most likely to have an above average incidence of wealthy members. It is not possible to quantify accurately the respective proportions of each of the occupations in our tables which may be said to be wealthy.

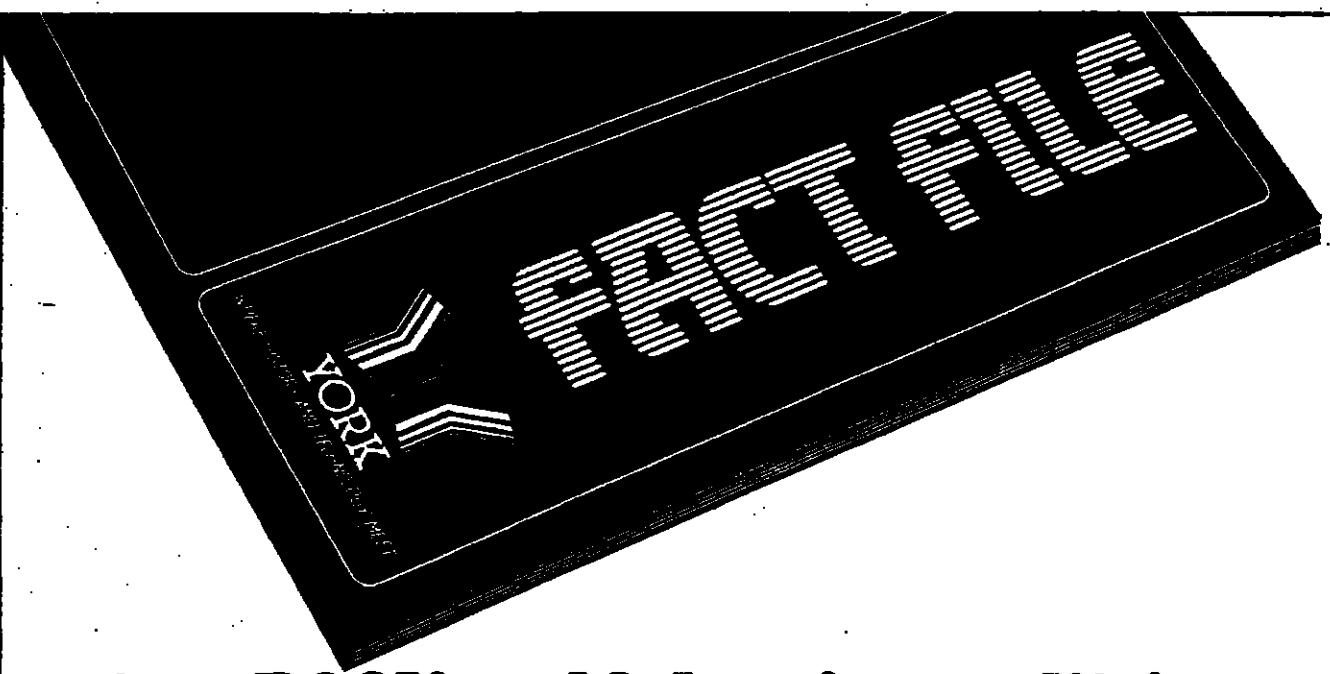
Lionel Gordon, IFT Marketing Research, Ruxley Towers, Ruxley Ridge, Claygate, Esher, Surrey.

Taxing of land values

From Mr C. R. Cook.

Sir—I do not follow the logic of Desmond Harrison's contention (September 25) that abolition of mortgage interest relief would remove an anomaly—rather, quite the converse.

Business and commercial concerns obtain tax relief on interest on loans used to finance land purchases, so why should the individual not have similar benefits since both businesses and house purchasers compete for the limited supply of land? C. R. Cook, 31 Wayside House, Maidenhead, Berks.



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FINANCIAL TIMES

Thursday October 10 1985

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Carla Rapoport explains how domestic over-capacity will limit entry through Japan's new 'open door'

Refining fuel imports to a trickle

A PRICE WAR at the petrol pumps in most countries means promotional games or sets of drinking glasses. In Japan it means hot coffee, hot towels and the occasional neck massage; and it is a permanent fixture in an ailing industry.

From the refinery to the petrol pump, Japan's highly-protected petroleum industry ranks among the most industrialised among leading industrialised countries.

Although Japan is working hard to rationalise its industry it is well behind Europe and the U.S. As a result Japan's recent moves to open its doors to the importers of petrol, kerosene and diesel oil are being viewed with scepticism by industry analysts.

It is not difficult to see why. According to proposals which the Ministry of International Trade and Industry (MITI) will put before the Diet (parliament) later this month the only companies which will be allowed to import petrol, kerosene and diesel will be those which already have refining capacity.

The refiners are still sitting on about 35 per cent of refining capacity in excess of domestic demand, however. It is hard to imagine them wanting to buy more refined products from abroad.

Mr Koichi Hasegawa, deputy

general manager of the overseas research department of the Petroleum Association of Japan (PAJ), said: "I think they will import approval (by the Diet) but I don't know how much. Probably not much, imports will depend on availability and economics."

But even the PAJ admits that the economics of the industry are poor. Two years ago the oil industry, orchestrated by MITI, disposed of refining facilities equivalent to around 1m barrels a day (b/d). However, under the programme no refineries were actually shut, so overheads continued to remain high. Since that time demand for oil in Japan has declined even further.

According to a special subcommittee of the National Petroleum Council (NPC), many of Japan's refineries are out-dated, small or medium-sized, and over-concentrated in certain areas. The NPC, an independent advisory council which normally reflects MITI's views, last month called for a further cut in refining capacity of between 700,000 and 1m b/d as part of a three-year programme starting in 1986.

The position is just as bad on the distribution level. Japan has about 50,000 petrol stations, a number which has not changed for 10 years. Kerosene, which most Japanese

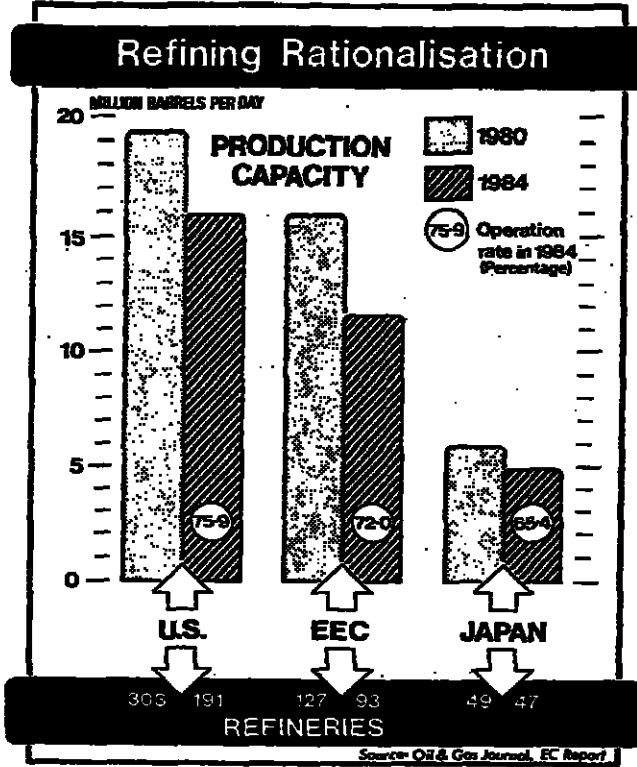
families use to heat their homes, is sold at liquor stores and supermarkets as well as petrol stations.

The huge number of outlets, on top of stagnant or shrinking demand, has led to costly price wars, which have made profits for distributors a thing of the past. Last year 13 refiner-distributor groups started to reorganise into seven groups.

As the further reduction in capacity will be organised on the basis of current market share, price discounting has become more intense in recent months. And even if refiners and distributors wanted to restore order at the retail level, they could not do so by the usual method because most do not have management control over the outlets.

Further, the one product on which refiners are making some money is petrol, so they will be even less likely to look for imports in this area.

The effects on some of the refiners have been severe. Only last week Tokyo banks were working on a rescue package for Fuji Kasei, a loss-making refiner. The group's outstanding debts totalled more than \$250m at the end of last March and it faces the possibility of being delisted from the Tokyo Stock Exchange.



Renault launch clouded by union dispute

BY PAUL BETTS IN PARIS

THE STRIKE at Renault's large car parts and tractor manufacturing plant in Le Mans this week has somewhat clouded the launch this month of the French state-owned car group's agricultural machinery subsidiary.

But the Renault dispute - a new test of strength between the Communist-led CGT union and M. Georges Besse, the new Renault chairman - does not appear to have provoked any misgivings at the company on the decision to set up the new subsidiary.

Renault has been making tractors since 1928, but the farm machinery business has always been regarded as "the poor sister" of the French car group. "The top management of Renault has in the past never been very interested in tractors. They spend all their time on cars and trucks and we have inevitably been seen as a marginal activity," remarked a Renault farm machinery official.

The farm machinery business has been losing money at Renault in the same way as most of the group's principal activities. M. Besse, who was appointed chairman of Renault by the Socialist Government this year with the brief of returning the group which lost FF 12.5bn (\$1.5bn) last year into the black, now wants to see the farm machinery operations break even over the next three years.

These activities lost about FF 190m last year and are expected to lose FF 140m this year. With sales of FF 3.15bn a year they account for about 3 per cent of Renault's overall group turnover.

At one stage there was speculation that M. Besse wanted to shed the agricultural activities from the group as part of his broad strategy

of recentring Renault around its car and truck making activities. The decision to spin off the farm machinery business into a separate wholly-owned subsidiary was regarded by many as a first step towards disinvestment.

But the Renault M. Besse claimed at the official launch of the new subsidiary that he was committed to the farm business. "One doesn't abandon one's children unless they are really very bad," he said.

M. Besse, like Renault farm machinery managers, believes the new structure will give the group's tractor business greater freedom and flexibility to restructure itself and recover financially. It should also help Renault to find alliances and industrial agreements with other tractor manufacturers to achieve more competitive production and reduce costs.

Renault is in talks with other tractor makers including John Deere, Klockner-Humboldt-Deutz and Fendt. However, both Renault and French industry ministry officials suggest negotiations could be long and difficult before a significant agreement can be reached between Renault and another partner.

The French car group, however, does not seem in a hurry to find an ally. M. Philippe Lagache, the new farm machinery subsidiary's vice-president of sales and marketing, says the new subsidiary's priority is to put its house in order, cut costs, enhance its product range and improve financial performance.

"We don't want to negotiate any agreement for the sake of making a deal, but want to reach a good agreement which will be of benefit to our business," he explains, adding that many people, including some at Renault, have felt in the

past that an alliance or an agreement with another manufacturer would solve all problems overnight. For M. Lagache, this is wishful thinking.

The new structure will make Renault's tractor business leaner and more cost effective, says M. Lagache. In the past the tractor operations had little if any control on purchasing since it was all done at the level of the group. Moreover, it will probably be easier now to negotiate the types of agreements to rationalise production.

In the past Renault group managers appeared to have little motivation to negotiate major alliances in the farm sector since they were far more occupied with the group's car and truck business.

This may have cost Renault some lost opportunities. It could have taken over at one stage the French and perhaps even all the European operations of International Harvester if it had entered negotiations with greater resolve. Instead, Renault negotiated what was widely regarded as an unsatisfactory industrial collaboration deal with IH, which subsequently collapsed after Case-Tenneco acquired IH's European and French farm machinery business this year.

But at the time when Renault could have taken over IH and thus have created a major new European farm machinery group, the Renault management led by M. Bernard Hanon, the group's former chairman, was not keen to extend Renault's presence in farm machinery. "You cannot go into negotiations in a half-hearted fashion. If you want to be successful you have to negotiate quickly and firmly," a Renault official said.

Despite its losses, Renault has

gained in the past seven years the leading share of the French tractor market. It has at present a 17 per cent share of the market followed by IH with 14.2 per cent. Fiat with 13.8 per cent and Massey-Ferguson and John Deere with 9.3 per cent each.

However, Renault's strength on the domestic market has not been matched by export sales. The group is now seeking to increase export sales, especially at a time when the domestic market is expected to continue to slump. From 60,000 tractors in 1983, the French market has declined to 54,000 tractors last year and is expected to fall to around 48,000 to 47,000 tractors this year. The farm machinery industry says there are strong chances that the domestic market could fall further to around 40,000.

During the past five years Renault's tractor production which is entirely concentrated at the Le Mans plant of Le Mans, has averaged between 12,000 and 14,000 tractors a year. Exports accounted for 30 per cent of Renault tractor sales and should increase to 35 per cent this year.

"Our target is to reach eventually 40 to 45 per cent of sales abroad," said M. Lagache. The French company recently has been improving its penetration in the UK where it hopes this year to gain a 3 per cent share of the market with sales of between 750 and 800 tractors. Ultimately, the big challenge for the new subsidiary will be the target set by M. Besse to return to profit in the next three years. In the current state of the European farm machinery market, this is likely to be difficult to achieve. But as one Renault official remarked: "It gives us at least a challenging goal."

CGT action spreads to Billancourt

Continued from Page 1

However, Renault said yesterday that the strike movement had failed to gather momentum at other important plants, including Sandouville, Douai, Flins and Clon. Despite efforts by the CGT to disrupt production, Renault management also announced it would not be forced to make any compulsory redundancies this year because its job reduction target for 1985 could now be achieved by voluntary measures.

The fact that the CGT took no notice of this made intensified its action against the car group appeared to confirm the political nature of the conflict.

Renault, which reported yesterday half-yearly sales of FF 35bn (\$7.1bn) against FF 33bn in the first six months of last year and is understood to have lost about FF 6bn in the first half of this year, wants to cut its French car workforce from 98,000 to 86,000 people by the end of this year.

The company now says it will be able to shed the 12,000 jobs this year through early retirement, repatriation incentives for immigrants and other voluntary measures. Renault wants to cut another 9,000 jobs next year to bring its French car workforce down to 77,000 people.

Renault confirmed yesterday it had signed a contract with the Soviet Union to supply FF 470m of Renault-manufactured robots to help to modernise the Moskvich car plant in the suburbs of Moscow.

THE LEX COLUMN

A tender touch from Beazer

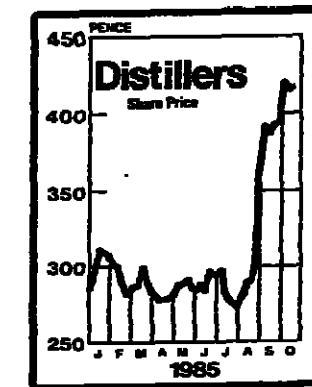
Beazer's offer for a quarter of the equity of SGB, the scaffolding company, is intriguing in many ways. Tender offers are not exactly everyday occurrences in the UK stockmarket, while the escalation clause attached - though common enough in Australia - seems to be a London novelty. The diversified property group is promising those who tender their shares any premium if it makes a general offer in the next year, or if it sells them on to a third party that gains control of SGB.

Whether Beazer does use a successful tender as a basis for a full bid for SGB lies in the future. But the signals are scarcely coded. Beazer has been indicating for some time that it has enough by way of housebuilding and property interests and wants to expand its specialists contracting; and for a company that made no fewer than five takeover approaches in the year to January, the last few months would have seemed torpid. After all, Beazer did raise £21m by means of rights in May.

For Beazer, a passive investment of 25.9 per cent, even if it were acquired, is not particularly attractive. And the market had few doubts that a successful tender to this level is an alternative to a dawn raid and a prelude to a bid. SGB's share price climbed 60p to 220p, closing a fraction under 10p higher than the share tender offer at Beazer's closing price of 430p, down 6p. At that price, and given the top-up arrangement, there seems no call to sell SGB in the market.

In promising not to make a full offer for three months, Beazer has left itself the opportunity to see SGB's figures for the year to last month before making its next move. Forecasts for SGB's recovery have been scaled back since the interim stage not least because the only overseas division making money - in South Africa - is not likely to be doing so in sterling terms any more. But SGB will no doubt pull out the stops in January, and a forecast of £15m to next September would leave the profit multiple at year-end tender price at under 10 - scarcely magnificent even for a contractor.

London's Take-over Panel has been held responsible in its time for every ailment except rainy weather and the high price of beer. The Panel makes its mistakes but, to judge from the public and private roasts it has received in the past few



months, it is simply incapable of doing anything right. Yesterday it was under attack for its intervention in the proposed Argyl Group consortium offer for Distillers. There, so the argument runs, stand the beleaguered shareholders of Distillers, deprived of a full and fair bid by the obstinacy of the Panel. The facts of the matter are rather different.

Speculation about a possible bid for Distillers had reached such a pitch a month ago that it was only proper for the Panel to insist that Argyl clarify its position. The Take-over Code specifies that an announcement should be made when an offeree company is the subject of rumour and speculation and Distillers plainly fell into that category.

Argyl could, like Elders, have made a commitment to bid within a specified period. Instead, it said that it would not bid for the time being. The Panel can hardly be blamed for holding it to that commitment.

Early announcements are not too popular outside the Panel - the put up or shut up principle still has strong adherents - but they do have their uses. In their absence, prospective offerors can leak their intentions to the market, in the hope of shifting the target company's shares into looser hands, without being obliged to conform with a takeover timetable.

But, if early announcements are to become more common, it would do no harm to lay down more specific rules. Six weeks, for example, seems an adequate period in which to form a consortium bid, while three months should be the minimum stand-off period for companies which have no plans to bid "for the time being."

U.S. financing
 The use of an off-balance sheet subsidiary to keep within permitted

gearing ratios is one of the oldest dodges known to corporate finance. So it reflects a measure of desperation that the U.S. Treasury is trying to get round its constitutional borrowing limits in this time-honoured way. The Federal Financing Bank, essentially not much more than a post-box for the transfer of funds between the Treasury and other departments, has temporarily surfaced as a name under which the Treasury can legally approach the debt markets.

The Administration's traditional bargaining position has been based on the fact that Congress would prefer enlarging the national debt to precipitating a default: rumours of unpaid bills and bouncing cheques in the vicinity of federal agencies usually do the trick. So this novel resort to back-door refinancing through the FFB may end up by provoking even worse filibustering over future debt-ceiling legislation.

Although the FFB's own debt does not count towards the federal debt ceiling, its powers to sell bills are apparently rather circumscribed; another couple of cash-management operations on yesterday's \$5bn scale might enable the Treasury to keep spending until some time in November, but no more. And it could not come near making up for a deferral of the \$50bn of debt-auctions scheduled for the coming few weeks. By then, off-the-sheet federal banking agencies may be at a premium.

Alfa-Laval

Alfa-Laval's profits fell off a cliff in the middle of last year and the Swedish farm equipment and engineering group is still scrambling back up to the top. Yesterday it produced a 35 per cent increase in profits before special adjustments and tax - to SKr 306m - for the first eight months of the year.

Alfa-Laval's dairy equipment business may never recover fully from the effects of EEC milk quotas - the West German operation is still in a terrible state - but at least the cost base has been reduced dramatically to reflect the lower level of anticipated demand. The withdrawal from international contracting is proceeding according to plan and the U.S. food operations, which were losing money last year, are now back in profit. But, with well over half Alfa-Laval's market capitalisation accounted for by cash in the balance sheet, the stock market is still heavily discounting the active part of the business.

VW plans low-cost car for U.S.

BY TERRY DODSWORTH IN NEW YORK

VOLKSWAGEN of America, the U.S. subsidiary of the West German motor group, is planning to launch a new low-cost Brazilian-made car in a move which is expected to intensify the growing competition in the low-cost end of the U.S. market.

Few details of the car were released by the company yesterday, but Volkswagen said that it would be priced "well below" the Golf model, currently its cheapest car in the U.S. at \$6,990 for the basic model. The vehicle will be introduced in about a year to 18 months, and will be retained in the form of a sedan and a small station wagon.

Volkswagen's move comes at a time when several manufacturers are gearing up to meet the potential demand for "entry-level," low-cost

cars in the U.S. Many dealers and analysts argue that there is a yawning gap in the market at this level, mainly because the Japanese importers upgraded their vehicles to attract higher margins during the period of voluntary restraint on their volume sales.

The first significant contender to be launched in this sector is the Yugoslavian-made Yugo, a small hatchback model which was launched in Europe a few years ago, and which is already on sale on the eastern seaboard of the U.S.

Yugo America is making a determined attempt to establish the image of the Yugo model before other low-cost imports arrive in the country, and is pricing the vehicle ex-

tremely aggressively at only \$3,990. The company claims that this is about 25 per cent lower than the recommended price on any vehicle available from other manufacturers in the U.S. following the recent round of price increases.

Other foreign car companies intending to tackle the same sector of the market include Hyundai, the South Korean manufacturer, and Skoda, the Czechoslovakian group, which said this week that it was looking at the U.S. to sell its new Bertoni-designed model due to go into production in 1991.

Analysts say that the Volkswagen model is likely to be based on the Golf hatchback and Voyager saloon range currently manufactured by the group's Brazilian subsidiary.

Merrill Lynch 'to take up option on SCM'

Continued from Page 1

der the management buyout plan and urged SCM's management and directors to join with him in preventing Merrill Lynch from "stripping" SCM of its most valuable assets at bargain prices.

Merrill argues that since Hanson Trust now owns over a third of SCM shares it is able to invoke the provisions of the controversial "asset option agreement" which allow Merrill to acquire the two companies on advantageous terms. Hanson Trust says that the two companies are worth more than \$600m in total and account for over half of SCM's earnings.

Hanson Trust, which announced a new tender offer on Tuesday topping Merrill's offer by \$1 per share,

argues that, based on the company's fully diluted shares, it has not breached the one-third trigger point and only owns 32.1 per cent of the company.

On Wall Street there was considerable speculation that Merrill's latest move was no more than a negotiating ploy. SCM shares fell by 54 to 57 1/2 in early trading, which indicates that the professional investors do not believe that Merrill will be able to strip the company of its two most valuable assets. If it did, they argue, SCM's share price would collapse.

Hanson's latest offer is conditional on SCM killing its controversial "asset option agreement" with Mer-

Cruise ship hijackers surrender

Continued from Page 1

miles off Port Said. Negotiations continued throughout the day in an effort to secure the hijackers' surrender.

They were brought ashore by a naval launch in the late afternoon. No information has been given about their eventual destination.

The cruise liner was expected to dock last night in Port Said and the ship's owners have announced that the ship's crew will continue, but many passengers have already left Cairo for home. Chartered Alitalia flights yesterday took passengers from Cairo to Rome.

More than 600 passengers were left stranded in the Egyptian capi-

tal when the Achille Lauro was hijacked near Port Said.

In Italy there was enormous satisfaction at the swift conclusion of the drama. The government of Sig. Bettino Craxi was visibly delighted at what it regarded as the vindication both of its Middle East policy and of its handling of the crisis.

Although the final negotiations leading to the surrender of the terrorists without any of their demands being met were conducted by Egyptian authorities, the major role in inducing them to surrender appears to have been performed by Mr. Arafat and his associates in the P.L.O.

The Italian Government swiftly made contact with Mr. Arafat after the hijacking took place on Monday.

The White House said the hijackers "should be prosecuted to the fullest extent possible" and stressed that the Reagan Administration had played no part in the release of the hostages.

Mr. Larry Speakes, the presidential spokesman said the U.S. did not know the details of arrangements by Egypt to settle the incident. He said any agreement with the hijackers was made by Cairo and without the consent of Washington.

World Weather

| Area | Temp | Wind | Area | Temp | Wind | Area | Temp | Wind | Area | Temp | Wind |
|--------------|------|------|-----------|------|------|-----------|------|------|--------|------|------|
| Amsterdam | 10 | 10 | London | 12 | 10 | Madrid | 15 | 10 | Paris | 12 | 10 |
| Algiers | 18 | 10 | Frankfurt | 12 | 10 | Munich | 15 | 10 | Rome | 18 | 10 |
| Barcelona | 18 | 10 | Geneva | 12 | 10 | Stockholm | 10 | 10 | Vienna | 15 | 10 |
| Berlin | 12 | 10 | Hamburg | 12 | 10 | Warsaw | 15 | 10 | Zurich | 15 | 10 |
| Bombay | 28 | 10 | Leipzig | 12 | 10 | Brussels | 12 | 10 | | | |
| Buenos Aires | 22 | 10 | Moscow | 10 | 10 | | | | | | |
| Calcutta | 30 | 10 | New Delhi | 25 | 10 | | | | | | |
| Cairo | 25 | 10 | Manila | 28 | 10 | | | | | | |
| Canton | 25 | 10 | Medan | 28 | 10 | | | | | | |
| Cebu | 28 | 10 | Seoul | 15 | 10 | | | | | | |
| Colon | 28 | 10 | Singapore | 28 | 10 | | | | | | |
| Hankow | 22 | 10 | Taipei | 25 | 10 | | | | | | |
| Hong Kong | 28 | 10 | Tokyo | 18 | 10 | | | | | | |
| Kobe | 18 | 10 | | | | | | | | | |
| London | 12 | 10 | | | | | | | | | |
| Lyons | 12 | 10 | | | | | | | | | |
| Madrid | 15 | 10 | | | | | | | | | |
| Manila | 28 | 10 | | | | | | | | | |
| Medan | 28 | 10 | | | | | | | | | |
| Moscow | 10 | 10 | | | | | | | | | |
| Munich | 15 | 10 | | | | | | | | | |
| Paris | 12 | 10 | | | | | | | | | |
| Rome | 18 | 10 | | | | | | | | | |
| Stockholm | 10 | 10 | | | | | | | | | |
| Vienna | 15 | 10 | | | | | | | | | |
| Warsaw | 15 | 10 | | | | | | | | | |
| Zurich | 15 | 10 | | | | | | | | | |

Readings at midday yesterday.
 C-Clearly D-Drizzle F-Fog T-Fog R-Rain S-Snow
 SI-Sleet SE-Storm T-Thunder

NEWS REVIEW

BUSINESS

Radar warning joint venture

An advanced radar warning receiver (RWR) for military helicopters has been developed jointly by Ferranti Instrumentation, Aircraft Equipment Department and E-Systems. The system is also suitable for fixed-wing aircraft, military vehicles and ships.

Combining Ferranti expertise in helicopter systems and E-Systems' flexible capability which is affordable in terms of cost, weight and support.

German success

Three German electronics companies have installed Ferranti's EP530 photoplotter to improve the production of artwork masters and photo-tools for printed circuit boards.

Kloekner-Moeller of Bonn and Carl Zeiss of Oberkochen chose the EP530 to replace earlier generation Ezema II plotting systems.

F & O Electronic Systems of Neckarsteinach, a leading manufacturer of computer peripherals, has incorporated the EP530 photoplotter into a CAD/CAM facility based on Ferranti CAM-X and Rascal Redac systems.

Briefly...

Ferranti Electronics has eased the interfacing of peripheral devices to a computer system via the Small Computer Systems Interface (SCSI) with a new LSI device, the ZN1011Q.

ICI is installing a number of PMS industrial control systems from Ferranti Computer Systems, Wythenshawe Division, to improve experimental and production efficiency.

ADVERTISEMENT

AVIONICS

Tornado video camera

The Edinburgh based Display Systems Department of Ferranti Defence Systems has been awarded a contract to supply video cameras for the Tornado P2 Air Defence Variant (ADV) aircraft. The initial contract which has been placed by Panavia covers eight pre-production models. Deliveries will commence next year for qualification testing and flight trials.

The camera will be used to monitor the pilot's view and projected instrumentation symbology as seen through the head-up display. It has been designed to replace the bulky cine film cameras currently installed in both the ADV and GR 1 strike versions of the Tornado.

Over 200 cameras will be required for the RAF's Tornado P2 aircraft. As well as the camera Ferranti is developing video recorders and computer controlled ground replay facilities under contracts placed last year. Having brought together the resources and technical expertise necessary for the development of video cameras, display monitors, recorders and playback facilities, Ferranti has established a unique capability in advanced airborne video recording systems.

ROYAL NAVY

£17m CACS contract

The Ferranti Computer Assisted Command System, CACS 4, has been selected by the Ministry of Defence as the command system for the Royal Navy's Type 23 frigates. Under a contract worth around £17m, Ferranti Computer Systems, Bracknell Division, is to supply an initial five production systems. The first system to be delivered will form the basis of a Type 23 Shore Development System.

CACS 4 will be based on F21600 series computers. These will organise the database and connect via a Command System Highway to over 20 distributed Argus MT00s microprocessors. The MT00s will provide local processing for certain sensors and weapons and all the displays.

Each system will have seven display consoles, six for operational and command use and one for use by maintainers. Any of the consoles will also be able to provide on-board training facilities.

The good news is FERRANTI

Selling technology

JOBS COLUMN

How managers stand in perks pecking order

BY MICHAEL DIXON

Equity Specialists

U.S. Sales to Europe

An experienced U.S. marketer is sought to join the London team of a highly-regarded firm of U.S. stockbrokers. This is an excellent career opportunity demanding a high degree of motivation, which will involve servicing French and German institutions and therefore require fluency in both languages. Candidates, aged 25-30, should be N.Y.S.E. registered. An attractive remuneration package will be negotiated.

Sales or Research

A major U.K. stockbroker, who is aligned with a substantial institution, seeks to expand its well-established European team. Whilst relevant market experience and fluency in a European language would be of obvious advantage, we would be pleased to hear from U.K. specialists looking for a new challenge. Successful candidates will be offered competitive remuneration packages.

Please contact Anna Robson or Jonathan Williams at the Investment Division, 394/1 Parker Street, London WC2B 5LH, telephone 01-404 5751. All replies will be treated in strictest confidence.



Michael Page City
International Recruitment Consultants
London Brussels New York Sydney
A member of the Addison Page PLC group

IS BRITAIN about to see another leap forward in the practice of rewarding executives in kind rather than in money?

Numerous pay pundits think so. They predict that further proliferation of in-kind perks will be the result of the UK Government's change in the conditions governing the contributions paid by organisations towards employees' National Insurance.

Formerly a "ceiling" was set in the middle range of earnings, beyond which organisations could pay staff any amount of money without having to hand over commensurately bigger NI contributions on their behalf. But from this month the employer's contribution is 10.45 per cent of higher-paid staff's total money earnings no matter how great they may be.

Hence the predictions of a return to daffinesses such as company suits which were in minor vogue during the last Labour Government's regime.

Not being a member of the future-forgers' union, the Jobs Column prefers to wait and see. Meanwhile, however, readers might care to scan the accompanying table which gives an idea of the state of executive perks in Britain on the eve of what might or might not be another proliferation.

The figures appear here by courtesy of the Inbuson management consultancy. They constitute a very small extract

| Types of managers | Full cost of company car % | Allowance use of subsidised lunches % | Subsidised housing % | Aid with house buying % | Life assurance % | Free medical insurance % | Share option scheme % | Share buying scheme % | Libans at low interest % | Subsidised phone at home % | Bonus % |
|-------------------------------|----------------------------|---------------------------------------|----------------------|-------------------------|------------------|--------------------------|-----------------------|-----------------------|--------------------------|----------------------------|---------|
| | | | | | | | | | | | |
| Managing directors | 98.9 | 1.3 | 52.7 | 1.3 | 12.2 | 95.4 | 83.4 | 43.4 | 14.6 | 11.7 | 47.1 |
| General managers | 97.6 | 2.4 | 68.4 | 1.1 | 21.5 | 96.3 | 83.3 | 46.3 | 20.5 | 10.9 | 50.0 |
| Company secretaries | 89.9 | 4.5 | 64.9 | 0.6 | 16.1 | 92.8 | 74.4 | 42.3 | 20.5 | 13.1 | 38.7 |
| Personnel executives | 83.1 | 5.6 | 60.5 | 0.8 | 12.6 | 95.3 | 78.1 | 37.3 | 15.9 | 11.0 | 33.3 |
| Financial executives | 84.6 | 3.7 | 59.8 | 0.1 | 10.5 | 95.0 | 78.5 | 34.9 | 13.4 | 11.7 | 31.9 |
| Production executives | 81.4 | 6.4 | 55.1 | 0.4 | 9.2 | 94.8 | 71.1 | 31.3 | 12.3 | 7.0 | 36.1 |
| Chief engineers | 62.7 | 9.2 | 65.0 | — | 12.2 | 95.2 | 87.9 | 31.7 | 8.9 | 6.3 | 36.5 |
| Distribution executives | 65.8 | 4.6 | 62.8 | — | 14.7 | 90.9 | 58.4 | 31.6 | 10.8 | 18.3 | 27.3 |
| Purchasing executives | 68.0 | 4.9 | 61.0 | — | 7.0 | 92.2 | 62.6 | 38.2 | 7.6 | 8.9 | 23.6 |
| Sales executives | 95.5 | 1.8 | 58.1 | 0.6 | 7.7 | 94.4 | 72.9 | 31.6 | 11.8 | 8.9 | 50.1 |
| Marketing executives | 85.4 | 2.5 | 62.7 | 0.3 | 8.4 | 92.3 | 72.4 | 34.3 | 13.0 | 12.3 | 29.4 |
| Heads of R and D | 82.1 | 2.9 | 62.6 | 0.3 | 6.0 | 96.6 | 71.6 | 39.8 | 24.1 | 5.2 | 22.3 |
| Data-processing chiefs | 73.9 | 5.6 | 62.7 | 1.3 | 12.0 | 92.2 | 67.9 | 30.8 | 10.3 | 6.8 | 29.1 |
| All types—1985 | 79.7 | 4.8 | 61.6 | 0.5 | 10.4 | 94.5 | 71.3 | 35.1 | 13.1 | 9.1 | 33.3 |
| All types—1980 | (72.4) | (8.9) | (71.3) | (0.9) | (6.3) | (90.9) | (57.9) | (9.6) | (5.2) | (7.0) | (36.6) |

from its latest survey of executive pay and benefits based on 6,477 higher-ranked staff of 616 companies in the UK. Apart from two dozen in banking, insurance and the like, the companies were in a vast range of industries including wholesaling and retailing. Anyone wishing to know more should contact Inbuson's Nigel Bryant at 157 Knightsbridge, London SW7 1RN; telephone 01-584 6171.

Taking 13 different types of manager covered by the study, the table shows what percentage of each received different kinds of perks. The bottom two lines show the same for all types of executives surveyed, first as at

July 1 this year and, below, in 1980.

Some of the kinds of perks could do with a bit more explanation. "Allowance for use of company car" means regular, not just occasional, use of it on business. "Subsidised housing" means use of a company house or suchlike. "Share buying scheme" means being enabled to become a shareholder on favourable terms.

I am also going to expand on the information given under "Bonus" at the extreme right of the table. The figures state only the percentage of each type of manager receiving such payments, telling nothing of

how much. What follows provides some indication of the amounts.

Taking as a base solely the 50 per cent of managing directors who got a bonus in 1985, the average bonus payment they received was £6,685, or 15.3 per cent of their average salary. The corresponding figures for the 12 other types of bonus-receiver are:

General managers £3,941—13.3 per cent. Company secretaries £2,225—3.8. Personnel executives £1,825—3.8. Financial executives £2,507—11.2. Production executives £2,222—11.8. Chief engineers £1,417—9.1. Distribution executives

£1,359—8.8. Purchasing executives £1,740—10.3. Sales executives £3,484—17.5. Marketing executives £2,449—11.6. Heads of research and development £2,364—11.3. Data-processing chiefs £1,659—8.6.

Among the bonus-receivers in all the types of job, the average bonus payment was £2,700—12.7 per cent of their average salary. (I do not have comparative figures for 1980 in this case.)

As the table shows, the perks which have grown fastest in the past five years are share option and share buying schemes. While both started from a small base, buying schemes are now about two and a half times as

common as they were in 1980 and option schemes more than three and a half times. Almost four in every five executives have full use of a company car, compared with under three-quarters. Over 70 per cent have free medical insurance as against 58 per cent.

Fast movers

A BRACE of managers are wanted by headhunter Martin Kendall of Owen-Browne Associates for two companies he may not name. So he promises not to identify applicants who so request his clients.

One recruit will be managing director of a UK group's division with a multi-million turnover in fast-moving consumer goods for use in the home. Base London area. Candidates should have led a profitable business operation of comparable sort and have particular strength in marketing. Salary upwards of £50,000 with bonuses and car among benefits.

The other will be a senior marketing manager controlling total marketing of a large range of drinks. Experience of drinks business at some stage wanted, as well as proven skill in managing marketing of fast-moving goods. Base London or the north. Salary £30,000-plus with car among perks. Inquiries to 33 Dover Street, London W1X 3RA; tel 01-629 7337.

BADENOCH & CLARK

SENIOR EXECUTIVE CORPORATE FINANCE/VENTURE CAPITAL

c. £30,000 + Car

Our client is an old established Issuing House. As a result of the increased level of demand for its corporate advisory services, the directors wish to appoint an experienced individual to work on the execution of mainstream corporate finance transactions and play an important part in its venture capital activities including a close watching brief on investments.

The position calls for an individual of board potential who is able to work as part of a small team with minimum supervision and deal with clients at all levels.

Applicants should have experience of a wide range of corporate finance transactions gained in a Merchant Bank. A professional qualification could be an advantage.

To find out more about this challenging opportunity, please contact Robert Digby.

Financial Recruitment Specialists
16-18 New Bridge St, London EC4V 6AU
Telephone 01-583 0073

INTERNATIONAL SHIPPING GROUP

Requires

INTERNATIONAL TAX

ADVISER/COMPANY SECRETARY

The Group has interests throughout the world connected with the operation of shipping lines and allied activities. It is currently operating profitably and is preparing itself for further expansion. It is an objective of the directors of the group that it will be listed on one of the world's major stock exchanges before the end of the 1980's.

The individual appointed will probably be a chartered accountant, conversant with international/national tax laws and double taxation treaties. He/she will have sufficient understanding of international commercial law in order to ensure that the group acts in every instance in accordance with its own articles of association and the national laws of the countries of incorporation of all its subsidiaries.

His/her experience should have been gained in an international service company, preferably within the shipping industry. It is expected that the individual appointed will be able to make a significant contribution to the fiscal restructuring of the group and at the same time achieve a reduction in the level of taxes paid.

It is anticipated that the person appointed should demonstrate within 6 months their ability to accept an appointment to the group of directors.

The salary will not be a bar to attracting the right applicant. However, it is unlikely that anyone with a salary package of less than £20,000 would be suitably qualified for this position. The position will be based either in the U.K. or Netherlands.

Applications in strictest confidence to:

Lindsay Fox Associates Ltd
Box A9181, Financial Times
10 Cannon Street, London EC4A 3BY

EDITOR

PENSIONS MAGAZINE

PENSIONS is the leading magazine for those involved in managing and advising others on pension schemes. With the forthcoming dramatic changes in the industry, we are looking for an experienced journalist with knowledge and understanding of the pension market to edit this independent and influential magazine.

Send your CV to:

Michael Hocking, Editorial Director
United Trade Press Financial Publications Ltd
25-26 Bevington Green Lane, London EC2R 0DA

TREASURY CONSULTANCY

London

£25,000 — £30,000 + Benefits

Our Client, a major U.S. bank, is seeking to expand its international treasury consulting practice in Europe, the Middle East and Africa.

Responsibilities will cover marketing, planning and execution of cash management consulting reviews to the corporate sector, banks and financial institutions. Such reviews will cover all aspects of treasury management, including the establishment of specialised treasury vehicles, foreign exchange exposure and traditional in-country cash management.

Applicants should be Graduates aged 27-34 with at least 3 years experience either of marketing and performing treasury consulting reviews for a substantial international bank or of international corporate treasury management. They should also possess highly developed interpersonal and managerial skills, strong analytical ability and creative thinking. Language abilities would also be advantageous.

This senior appointment carries excellent potential for career development and benefits include a subsidised mortgage and a company car.

Please reply in confidence with a comprehensive curriculum vitae including details of current earnings and a daytime telephone number to D. E. SHRIBMAN.

HUDSON SHRIBMAN

The complete financial selection service
College Hill Chambers, 23 College Hill, London EC4R 2RT. Tel: 01 248 7851/8 (24 hours)

Shepherd Little & Webster Ltd

Banking Recruitment Consultants

EUROPEAN MARKETING OFFICER c£30,000

This senior position with an international bank in the City calls for an experienced Marketing Officer to take responsibility for Italy and Germany, travelling to these countries as required.

Duties will be to formulate business plans taking economic and political factors into account and to accordingly market the bank's facilities to both new and existing clients who range from private to government level.

Good working knowledge of Italian or German is required although fluency in an additional European language may be considered. Salary of around £30,000 pa is envisaged for this position with a full range of banking benefits available.

Please contact Paul Trumble

EUROBOND/MONEY MARKETS OPERATIONS

ASSISTANT MANAGER — £25,000

A new position with a major investment bank, to manage the daily trade input, develop and improve systems, keep abreast of new products and be especially strong on human resources and budget control.

ASSISTANT MANAGER — £20,000

To handle oil securities administration for a major American Securities trading firm. They would prefer candidates with particular knowledge of the Japanese market.

MANAGER — ADMINISTRATION — £18,000

Small trading house, complete responsibility for day to day administration and support for 15 bond and equities traders, highly computerised environment, some personnel matters for someone aged around 30. The only experience required is from a bond settlements background.

SENIOR SETTLEMENTS — £15,000

Major European bank, excellent record in London, looking for someone with good bond settlements experience to supervise a small but growing settlements team.

BOND SETTLEMENTS — £10,000

With about two years experience covering Euroclear or Cedeal, unmatched, etc for either a merchant bank or prestigious Japanese and American names.

Please contact David Little

Ridgway House 41/42 King William Street London EC4R 9EN
Telephone 01-626 1161

Economist

Schroder Investment Management Limited, a wholly owned operating subsidiary of J. Henry Schroder Wagg & Co. Limited, one of the leading UK merchant banks, is looking for an economist to join a small team of investment advisers. The successful candidate will advise on European economies and markets and undertake analyses of companies for investment purposes. This will involve regular travel.

Candidates should have a first degree in economics together with a business school degree. A knowledge of one or more European languages, preferably French and German, would be an advantage.

A fully competitive salary is offered together with an attractive range of benefits including mortgage subsidy and a generous non-contributory pension scheme. Career prospects within the Schroder Group are excellent.

Applications in writing, with full curriculum vitae, should be sent to: Mr. John R. Lambert, Head of Staff and Administration, J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London EC2V 6DS.



The City £30,000+car

Accountant-Stockbroking

An unusual and challenging opportunity for a Qualified Accountant is offered by our Client, a large firm of British Stockbrokers. They seek a man/woman to work within the management team to ensure that all accountancy, administration and settlement functions are performed faultlessly, that the systems employed are up-to-date and that the forthcoming rule changes due to de-regulation are applied.

Whilst candidates will need a broad understanding of the City, in addition to a degree level education and accountancy qualification, experience within a stockbroking firm is not essential although a knowledge of the functions involved would be most helpful.

The preferred age is 30's/early 40's and applicants should be able to demonstrate the ability to lead and to pay meticulous attention to detail.

In return, our Client offers a remuneration package which, including a bonus, guaranteed for the first year, is likely to be around £30,000 plus a car. There are very real promotional prospects for the right person.

Please write in the first instance to Keith Fisher, quoting Ref.668, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

Overton Shirley & Barry
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

Senior Equity Analyst Portfolio Manager

Salary Negotiable

Sun Life of Canada, one of the world's largest life assurance companies, has some £1 billion of assets under management in the U.K., including some £350 million in equities. The range of funds is expected to increase substantially over the next few years and our highly successful investment team is now expanding.

We are seeking a professionally qualified person, preferably in their late twenties, with at least five years' practical experience and a thorough grounding in U.K. equity analysis. The position should particularly appeal to someone who is anxious to take on portfolio management responsibilities in the near future and who enjoys the stimulus of a team environment. Company benefits are excellent and include a subsidised mortgage scheme and non-contributory pension scheme.

If you are interested, please send a detailed curriculum vitae to:—

Susan Hanington, Employment Adviser
SUN LIFE ASSURANCE COMPANY OF CANADA
2, 3 & 4 Cockspur, Street, London SW1Y 5BH
Telephone: 01-930 5400 Ext. 121

SunLife of Canada

PETROLEUM ECONOMIST

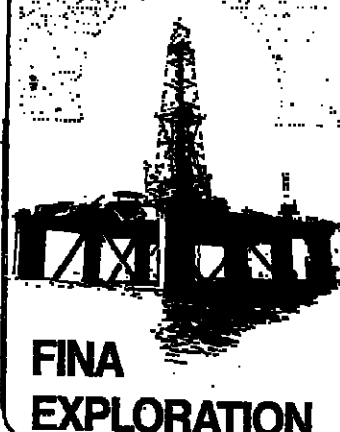
Fina Exploration, an expanding subsidiary of one of the world's leading oil companies, is seeking a Petroleum Economist to work at their head office in Epsom.

The position requires a qualification in engineering and at least 5 years' oil industry experience including knowledge and experience in project economics, taxation and financing. M.B.A. or equivalent would be an asset.

The successful applicant will be responsible for economic evaluations of on-shore and off-shore exploration, production, development and acquisition ventures, mainly in the U.K.

Please write with full career details to date quoting Ref. No: FE/85/15 to:

Miss Christine Hall, Personnel Department,
Fina Exploration Limited, Petrofina House,
1 Ashley Avenue, Epsom, Surrey KT18 5AD.



Part of the PETROFINA (UK) LTD Group of Companies

FINA

Controller

International Capital Markets
City
£ negotiable + car + benefits

Our client is part of a major European banking group with a strong presence in international capital markets. With the continuing expansion in the size and scope of their operation, they now plan to establish a formalised management control function.

This new appointment, reporting directly to the Managing Director, will have prime responsibility for reviewing, monitoring and developing control and systems across all aspects of the business. It will afford the person appointed with a high degree of autonomy and the opportunity to make

a significant impact on the success of the organisation.

The position calls for a person in their thirties or early forties who has a sound knowledge of securities trading operations and dealing room procedures, preferably in the Eurobond market. Whilst not necessarily seeking an accountancy background, it is possible that this experience may have been gained in an operational audit role. Personal qualities of confidence and authority to deal with control issues directly with senior line management are essential.

The salary will fully reflect the importance attached to this position and comprehensive benefits will include a car, non-contributory pension and subsidised mortgage.

Please write with full career details, indicating your current salary and benefits, quoting reference MCS/2017 to Milton Ives, Executive Selection Division, Price Waterhouse, Management Consultants, Southmark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse



Boddingtons' Breweries PLC

Group Marketing & Trading Director

Manchester

Beer has been brewed at Boddingtons' Strangeways Brewery since 1778. The brand is famous in the North West. With its other brewery at Oldham and the recently acquired Hignons Brewery in Liverpool, the Group's turnover now approaches £100m.

Boddingtons' markets beer, wines, spirits and minerals through over 500 of its own pubs and 600 free trade accounts. It has interests in wholesaling and off-licence operations, and is at the forefront of pub catering and leisure development in North West England. In a complete management restructuring, a Marketing and Trading Director of outstanding ability is now sought to modernise and co-ordinate profitable development and growth of the Group's trading activities. Probably around 40 and a graduate, you will already

c.£35,000 + generous package

have an established, successful track record at senior marketing level in a major consumer goods company. Knowledge of beer marketing would be useful but this is secondary to strong leadership qualities and the ability to think strategically and act decisively.

This is a crucial appointment upon which rests a major part of the responsibility for the success of the Boddingtons' Group in the '80s and '90s. A very generous package, including an attractive share option arrangement and an assisted children's education scheme will be negotiated.

Interested men and women should write with a detailed c.v. including contact telephone numbers, in strict confidence to Michael Chapman at:

Marketing Appointments

• 11 Garrick Street • Covent Garden • London WC2E 9AR • Telephone 01-379 7879 •

Limited

GILTS OPPORTUNITY

Apply your securities experience to the Gilts Market.
Marketing Above £25,000

Our client, a rapidly expanding Investment Banking Group is creating the above position to reinforce its commitment to playing a major role as a gilt-edged market maker.

The Marketing Executive will be responsible for establishing a strategy to build on the existing client base and develop new relationships. A high degree of involvement in new product development will be required together with responsibility for the marketing administration of the company.

This is potentially a most rewarding opportunity for a high calibre candidate with good communication skills. Aged between 25-35 you should have a strong technical and marketing background in securities, though not necessarily gilts. Remuneration will be negotiable and shall reflect both the qualities of the individual and the importance placed in this position by our client.

If you would like to discuss this stimulating role informally and in strictest confidence then telephone or write, including full C.V., daytime telephone number and quoting ref 10/345 to:

Robert Winter at MCP Consultants

MCP
CONSULTANTS

FINANCIAL SECTOR
HUMAN RESOURCES

HALTON HOUSE
20-23 HOLBORN
LONDON - EC1
01-405 9000/1

Information Services Merchant Bank

City £18000 to £25000 plus
substantial bank benefits

Our client, a leading Merchant Bank, is playing a major part in the expansion of the international capital and securities markets. As a result of deregulation in the London Markets, Group strategy is to become more deeply involved in these areas. To help the Group to react to and benefit from the changing conditions they are now carrying out a major restructuring of the Information Services function.

We are now looking for an additional Business Analyst to join a multi-disciplinary team within the Systems Development Group. The successful candidate will have a key role in influencing the formulation and implementation of Information Technology strategies, and be responsible for the specification of systems and techniques to be developed within the context of such strategies.

The applicants, who should be of graduate calibre, will have a background in the financial services sector. Preferably they will have had direct involvement in one, or more, of the following areas: accounting, banking, capital markets, investment, or treasury. They will need to be capable of taking an overview of systems in relation to the total business needs and establishing future requirements. The post calls for a high level of analytical skills and a knowledge of current trends in Information Technology.

If you are looking for an opportunity to add to your expertise in the financial services sector our client can offer a career move into an exciting environment.

For information Ref. 621 and to arrange an initial interview, please telephone John Pitt on 01-608-0488 or write enclosing a C.V. to

Charterhouse Chambers, 18/21 Charterhouse Square, London EC1M 6AH

John Hacker
associates
Limited

Senior Foreign Exchange Dealers

Head Office Melbourne Australia

National Australia Bank is one of Australia's largest foreign exchange dealing banks.

The development of the Australian foreign exchange market has created excellent opportunities in many areas and National Australia Bank's expansion in the market has created several vacancies in its head office dealing room in Melbourne. There is now excellent scope for promotion both within Australia and elsewhere in the bank's increasing number of worldwide branches.

These positions require the ability to operate independently, but within the environment of an active and rapidly expanding dealing room.

Applicants should be between 23 and 28 years of age and have a proven track record in interbank markets. Successful applicants would have gained their experience in a major bank's dealing room in London and they would be familiar with all of the latest innovations in the markets to enhance their dealing skills.

A generous salary package will be negotiated together with payment of relocation expenses to Australia. National Australia Bank will complete immigration formalities on behalf of successful applicants.

Written applications only including details of experience will be treated in confidence and should be addressed to:-

Graham Ludecke, Chief Manager Europe
National Australia Bank
6/8 Tokenhouse Yard, London EC2R 2AJ.

National Australia Bank

National Australia Bank Limited

Senior Spot Dealer

The London branch of a substantial European bank seeks a highly competent spot dealer. A sound background in spot trading will be sought and experience in C/D/M/C, S/D/M/C and Cable would be a distinct advantage. Our client's exposure to the spot markets has to date been limited therefore this offers an excellent opportunity to establish and build a section. Salary c.£30,000.

FRN Trader

If you have at least two years' experience trading an FRN book, the No. 1 trading position should be of interest. You will join a growing team of experienced traders, where the emphasis is on value/profitability rather than trading tickets. This position offers an excellent opportunity to an individual who wants to make a positive contribution to a growing operation. Salary negotiable from c.£25,000 + car + bonus + benefits.

Devisenmarkthändler

Die Stelle wird dem jetzigen Devisenmarkthändler als dessen Stellvertreter direkt unterstellt sein. Solide und umfassende Kenntnisse in FX sind erforderlich jedoch mit Schwerpunkt auf dem Devisenmarkthändler. Unsere Kunden erwarten stetig neuen Bereich inner oserbacht und die Pauschen sind dementsprechend gut. Hervorragende Kenntnisse in Englisch und Deutsch werden verlangt. c.£25,000.

Senior FX Dealer

Our client is the London branch of a well-respected international bank. They seek a highly experienced FX dealer who can make an immediate contribution to the bank's FX business. The FX dealing experience must also be complemented by sound management potential. A minimum of five years' experience with active trading banks will be sought. Remuneration will include salary to c.£30,000 plus potential high bonus and usual banking benefits.

Straight Bond Traders

We are currently recruiting US\$, £ and other currency traders for a number of prominent international banks. The trading operations are in the main already established and are seeking to enhance the range of instruments traded. The opportunity therefore exists to make a significant contribution to both the trading room and to enhance an individual's career potential. Salaries negotiable from £20,000 + bonus + benefits.

Senior Money Markets

Our client is the merchant banking division of an expanding international bank. They seek a high calibre dealer, capable of taking a broad view of the money and treasury instrument markets and who can work closely with the bank's treasury and capital markets areas. It is likely that the appointee will be aged mid 20s to early 30s and have gained sound experience in a U.S. merchant bank or similar environment. £ neg.

APPOINTMENTS
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APPEARS EVERY
THURSDAY

MANAGING DIRECTOR

DUBLIN



Guinness Mahon

Guinness & Mahon, Dublin, established in 1836 is part of the Guinness Mahon Banking Group, which has assets amounting to £600m. The Guinness Mahon banking activity is a crucial part of the Guinness Peat Group which is a growing financial service business with other interests ranging from aviation leasing to insurance broking and asset management.

Applications are invited for the position of Managing Director. The successful candidate, who in due course should become Chief Executive, will be responsible for the profitable management of the Bank's activities.

Candidates should be senior professionals, preferably with experience in merchant banking or financial services. Business development skills, leadership qualities and the ability to motivate a committed management team will be important.

A top level salary and benefits package, including performance related incentive, will be provided.

Candidates should send comprehensive personal, career and salary details in strict confidence, to Michael Spellman at 1 Stokes Place, St. Stephen's Green, Dublin 2, Eire, quoting Reference Number 2966.

PEAT
MARWICK
Management Consultants
DUBLIN.

Private Clients

Leading firm of Stockbrokers, retaining its independence, requires a Partner's Assistant for its expanding Private Client Department.

Applicants should have several years' experience in all aspects of stockbroking for Private Clients of substantial means. Ability to assume non-discretionary management of portfolios essential.

Preferred age 24-28.

Apply Box A9152, Financial Times

10 Cannon Street, London EC4P 4BY

TRUST ADMINISTRATOR

Central London to £13,500 p.a.

Ernst & Whinney is one of the largest and fastest growing firms of Chartered Accountants in the world.

Sustained practice development has now generated a new and thoroughly challenging opportunity within the Trust Administration department of the London Office.

To effectively service a diverse and interesting portfolio of clients you will be a member of the Institute of Bankers (Trustee diploma) or otherwise suitably qualified, upwards of 25 and committed to the highest professional standards.

Well appointed offices are entirely modern and there is a subsidised staff restaurant, interest free season ticket loan and free car-parking.

Please write with full c.v. to Barry Compton.

EW Ernst & Whinney
Accountants, Advisers, Consultants.
Becker House, 1 Lombard Palace Road, London SE1 7JU. Tel: 01-928 1000.

Investment Analyst/ Fund Manager

An international company in the City is currently seeking a person with approximately two years analytical training who now wishes to gain experience in fund management.

The successful applicant will work initially as an investment analyst on European portfolios (amounting to £100 million) and it is anticipated that he/she will be promoted after a short period to assist in the management of these portfolios.

Competitive salary plus excellent staff benefits.

Please reply in writing, enclosing a copy of your curriculum vitae to: The Company Adviser, A. Ramage, Streets Advertising Limited, 120-122 Seymour Place, London W1H 5DJ stating clearly any companies to which you do not wish your application to be forwarded.

Streets
Advertising Limited

120-122 Seymour Place, London W1H 5DJ Telephone: 01-723 7090

ROGER PARKER ORGANISATION

65 LONDON WALL, LONDON, EC2M 5NT
01-588 2580 Telex 8811725 CITLONG

International Search & Recruitment Consultants

BANKING PROFESSIONALS FOR ACCOUNT MANAGEMENT

Ambitious Bankers – A.I.B. – Aged 25-35
circa £19,000 + car

BIS Software has the Lion's share of computer systems in the International Banking marketplace (more than 400 customers in over 50 countries). We are a unique Software Company because we service customers from key branch locations throughout the world. We have a well established product MIDAS which is continually being enhanced to meet the changing and developing needs of clients.

You already understand the banking/finance marketplace, having successfully completed your A.I.B. examinations. You are now seeking new challenges which harness your knowledge, experience and most important of all, your aspirations. You are self-motivated and want to work in a constantly challenging environment which actively encourages the use of initiative, linked to the ability to evaluate needs and provide solid commercial solutions to a range of clients. In brief you need to carve out for yourself a niche where you can excel and reap substantial personal satisfaction and rewards.



**TO MOVE FORWARD
FROM AN ALREADY
COMMANDING POSITION,**

**BIS IS STALKING
ADDITIONAL ACCOUNT
MANAGERS TO**

JOIN THE "PRIDE"

colleagues of high ability and who have clearly broken out of the mould.

The LION is a SLEEK, FAST and ALERT animal who knows what it wants. Likewise we know what WE want! If YOU do also, then write to: Peter Murley at the address below, or better still pop in and see the rest of the "PRIDE" for an informal chat at

We seek to attract the BEST – which is why we're so successful already – and therefore need to appoint high-calibre people who can make significant personal and professional contributions to what is clearly OUR future. This is why Banking professionals are OUR answer. We know this because over half of our current staff made their career move from the banking community. We will provide a balanced training programme which will enhance your existing talents and add some new ones besides a unique opportunity to work with

PENTHOUSE SUITE, TOWER HOTEL

ST. CATHERINE'S WAY, TOWER BRIDGE, LONDON

**MONDAY 14TH OCTOBER
1985**

BETWEEN 10AM-8PM

Careers with
the MIDAS touch



BIS Software, York House, 199 Westminster Bridge Road, London SE1 7UT. 01-928 3551.

Assistant Treasurer-Europe For Major Multinational

c. £30,000 pa + car

London

Our client is a major multinational, producing diversified products for worldwide markets. US based and a leader in their field, they have manufacturing and marketing operations in seven European countries – and on every other continent.

They now wish to strengthen their top European management team through the appointment of an Assistant Treasurer, based in London.

Reporting administratively to the General Manager-Europe and functionally to the Treasurer in New York, he or she will assume direct responsibility for the fiscal operations of all European subsidiaries. Priorities will include the design, implementation and supervision of treasury operations in line with Corporate targets and guidelines. Investments, institutional and commercial banking relationships, debt and capital planning, pension fund management, tax, insurance and fiscal planning will be among other areas of responsibility – whether direct or in immediate support of the Treasurer.

This position clearly calls for someone with experience and ability of the very

highest calibre. Our client envisages the successful candidate will probably be between 30 and 45, with relevant professional qualifications (such as an MBA) and an exceptional career background in banking and/or multinational corporations. The pressures of international finance at this level will call for a working knowledge of at least one other European language (preferably French) and the stamina and personality to deal successfully with major institutions and government bodies in different countries.

The remuneration package on offer fully reflects the seniority of this position and the further prospects are implicit in this advertisement.

If this outstanding opportunity interests you, please write in the first instance for further confidential details to: Algis Rekešius, Moxon Dolphin & Kerby Limited, 178-202 Great Portland Street, London W1N 5TE, quoting ref. FT/4324.

Please state in a covering letter any companies to whom you do not wish your application sent.

**MOXON
DOLPHIN
& KERBY LTD** EXECUTIVE SEARCH & SELECTION

Operations Manager **To £30,000**

Our Client, an established North American Bank, is currently seeking to recruit an International Banker with a comprehensive knowledge of banking techniques, to set up a new Operations area. The successful individual, aged 30-38 years, will possess a solid background in International Commercial Banking, together with a sound knowledge of Capital Markets Instruments, Bonds, Swaps, etc. Excellent inter-personal skills and a commitment to succeed within this new area is a pre-requisite. Please contact Richard Meredith or Norma Given.

Asset Finance **c.£30,000**

We seek a highly professional individual (Graduate or equivalent), aged 28 to 32 years, to negotiate complex big ticket leasing transactions (£1m-£10m) on behalf of a Major Financial Institution. Two to three years relevant marketing experience, complemented by the technical ability to analyse, evaluate, price and structure individual financial packages, is a pre-requisite, together with a flexible, innovative approach to changing market conditions and financial products.

Please contact Jill Backhouse or Brian Gooch.

Jnr. Leasing Executive **£15-£20,000**

On behalf of a leading Merchant Bank, we seek a Graduate/ACA, aged 25-30 years, to work within their International Division. The successful candidate will possess 2/3 years technical experience of leasing transactions, and seek to increase his/her marketing skills. Excellent opportunities exist for a move into Currency Swaps or Capital Markets at a later stage.

Please contact Jill Backhouse or Brian Gooch.

Forex/Stg. Dealers **£20-£28,000**

Several of our Major Clients, are currently seeking applications from first class professional Foreign Exchange/Sterling Dealers. Candidates, aged 22-30 years, will have proven experience of Spot, Forwards, Deposits, Cable, Arbitrage and possibly FRA's.

Please contact Richard Meredith or Norma Given.

Investment Management **£ Neg.**

Our Clients are among the leading Accepting Houses responsible for managing important Pension and Private Clients' Funds. On their behalf, we seek experienced Executives capable of managing discretionary funds, investing in the UK and/or other markets. Candidates are likely to be University educated and aged between 25 and 35 years. Excellent remuneration packages and future prospects combine to make these appointments very attractive.

Please contact Peter Latham or David Grove.

Lending Account Officers **£20-£25,000**

We have been retained by several prestigious and reputable City Banks to assist in the selection of high calibre Marketing Officers. The successful individuals will be expected to service and maintain existing Corporate Clients, and to develop new business in the UK and European Markets. Applications are therefore sought from professional qualified Bankers, aged between 28 and 35 years, who possess a successful Marketing track-record.

Please contact Anne Griggs or Anne Fenwick.

JONATHAN WREN & CO. LIMITED
170 Bishopsgate, London EC2M 4LX
Tel: 01-623 1266

LONDON SYDNEY HONG KONG

**Jonathan
Wren**
RECRUITMENT
CONSULTANTS

Assistant Group Treasurer

Major Engineering Group c.£23,000 + car

The Group is a major international force in electrical and mechanical engineering, a major employer and exporter, with a substantial investment in manufacturing overseas as well as in the UK.

The Assistant Group Treasurer will assist with day-to-day control of Group Treasury operations spanning cash and investment management, banking relations, funding and exposure management and deputising for the Group Treasurer as necessary.

Ideal candidates, 28-35, will be professionally qualified graduates or MBAs, with at least 3 years exposure to broad-ranging treasury or relevant banking activity. They will be familiar with foreign exchange, money market operations and the latest banking products and will have the potential to succeed the Group Treasurer in due course.

Location: Central London.

Please apply with relevant career information quoting reference 1627 to James Loch.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Broad St,
London EC2M 4JL 01-400 0011

BANKING OPPORTUNITIES

**LEGAL EXECUTIVE (QUALIFIED
BARRISTER OR SOLICITOR)** 20s mid 30s to £25,000 p.a.
WITH BANKING EXPERIENCE

A well-known international bank seeks an additional qualified solicitor or barrister to join its legal department. In drafting of loan agreements, the executive will cover both commercial and capital market products. Such experience will therefore have been gained in a bank.

EQUITY TRADER 30s c. £25,000 p.a. Package
French-speaking equity trader sought by well-respected European merchant bank to sell UK equities to Continent.

MANAGER MONEY MARKET Late 20s/ £18,000/
SETTLEMENT Early 30s £20,000 p.a.
UK merchant bank seeks manager with at least 5 years' treasury settlements experience including futures, options, interest-rate swaps, FRAs and CDs. 2 years' supervisory experience is also sought.

JUNIOR FRN TRADER 20s £16,000 p.a.
Expanding merchant bank seeks junior FRN trader who has worked between 3 and 6 months as FRN trader; further professional training will be given.

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Well-known merchant bank requires supervisor with 3/4 years' experience of Eurobond settlements and Euroclear and Cedeal background. Ideal applicant will have his/her own ideas on improving existing systems.

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Accounts controller sought by merchant bank. Right applicant will have knowledge of Capital, use a pc, and will have worked for at least 3 years on all aspects of money market settlements: FRAs, swaps, options and FRAs. Duties will include investigating differences on profit and loss reports and daily balance sheets.

Please write to or speak with Elizabeth Hayford on 01-377 8600.

LJC BANKING

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The opportunity exists for professionals to join us in marketing capital markets products to clients within the above geographic areas. Successful candidates will have experience of a wide range of international financing techniques, with the ability to communicate effectively with clients.

These positions offer the rare opportunity of joining an operation in its formative stage and to positively influence its development.

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Financial Services Marketing

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Our client, a major independent investment management house with a developing private client department, is seeking an ambitious individual to market their financial services.

Aged 25 to 35, candidates should be well educated with the ability to communicate clearly and concisely on financial management. This will entail being fully conversant with private client investment management and financial planning. Experience will probably have been gained within a similar organisation, but possibly in stockbroking or with a firm of accountants, solicitors, or insurance brokers.

Reporting to the director in charge of marketing, the successful candidate will be the first point of contact for potential clients, in terms of assessing their needs and liaising with internal Financial Services specialists.

This is an extremely important position and offers excellent prospects for the right individual.

Please contact Anthony Innes who will treat all enquiries in confidence.

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The successful candidate will join an economic and corporate research team with a high reputation in the City and in industry. Remuneration is competitive and there is scope for rapid advancement. There are profit-sharing schemes, pension fund and other benefits.

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Candidates, in the age range 30-40, will be ICM members and possess substantial, high level experience gained within large manufacturing, wholesaling or possibly retail organisations. Reporting to the Operations Director, but working with managers at all levels, the emphasis is on developing sound relationships with customers and with the sales and finance functions internally. Analytical skills and developed powers of communication are essential.

For full job description write to Mark Lockett, in confidence, at JC&P Selection Consultants, 104 Marylebone Lane, London W1M 5FU showing clearly how you meet our client's requirements, quoting reference 9115/FT. Both men and women may apply.

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to £25,000 + Car

The Bank can demonstrate a solid record of achievement within both the emergent field of investment banking and traditional wholesale commercial banking. The expansion of its activities across this broad front has led to the need for a further specialist to join an already well established and successful team operating within a growing sector of the market.

Reporting at a senior level, you will play a key role in co-ordinating, advising and negotiating on a variety of export/trade finance packages.

Lloyd Chapman Associates

This calls for a good knowledge of Trade and Documentary Credits, Letters of Credit and Project Finance gained within a banking or confirming house environment. Experience of physical commodity markets and knowledge of Middle/Far East countries would be highly advantageous.

Aged 28/35 you should be looking to widen your horizons within a major institution which can offer scope for advancement.

To apply, please telephone or write to Brian Burgess quoting Ref: BB 011.

International Search and Selection
160 New Bond Street, London W1Y 0HR
Telephone: 01-408 1670

Fixed-Interest Fund Manager

London c.£30,000 + bonus + car + equity

The newly-founded UK investment management subsidiary of a prominent international financial services group is looking for a fixed-interest Fund Manager to join a dynamic young team managing over £0.5 billion. The person appointed will be expected to play a key role in formulating investment strategy, as well as managing the fixed-interest portfolio.

This is an exciting opportunity to 'get in on the ground floor' and will enable the individual to exercise independence of judgement while having

the financial support of a large group. To reflect the importance of this key position, a very competitive package will be offered, including a salary of about £30,000, performance-related bonus, car and equity participation.

A successful track record in gilt fund management is essential; age range 27-32; economics degree preferred.

Send cv, in strictest confidence, to Humphrey Sturt, Ref: AA69/9553/FT.

PA

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LONDON

This vacancy is open to bankers, aged 28-40, who have acquired at least 5 years' marketing experience mainly in Italy, and who have, two years' practical experience in putting together loans. A good knowledge of SACE, Mediocredito and Italian Foreign Exchange regulations is necessary. Reporting will be to the Head of Corporate Finance and responsibilities will cover largely the provision of trade finance, to include forfaiting, to Italian corporate and prospective corporate clients. This will involve generating business through identifying the client, constructing the most appropriate finance package and taking the deal through to completion. A considerable amount of time will be spent in Italy. The successful applicant must be able to move to the position of Head of Marketing for Italy and assist in start-up situations in other European countries. The individual will have a support team of 4 people. An excellent remuneration package plus benefits is negotiable. Replies in confidence to: Head of Personnel, LBS Group Limited, 20 Cannon Street, London EC4M 6XD.

Money Market Dealer

A highly rewarding role in the expanding treasury function of a major international corporation.

Our client is a major international corporation whose treasury function is expanding its dealing activities to cover a wide range of investment trading instruments, mainly in US Dollars and Sterling. As a result, an experienced Money Market Dealer is being sought to join an existing team at the Corporation's headquarters in the City.

The prime requirements are an ability to manage assets and liabilities on a matched and unmatched basis and the willingness to take responsibility for such decisions.

Aged between 25 and 30 and with approximately four years' market experience, you should be numerate, capable of working as part of a team and flexible enough to involve yourself in occasional new projects. A relevant degree would be an advantage, but is not essential.

Salary will reflect the importance attached to this position and will be supported by a full range of benefits.

Please write enclosing a full CV and details of your current salary. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Nick Holker ref. B.2201.

This appointment is open to men and women.

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The Planning Unit of TSB Group Central Executive performs a vital role in the strategic management of the Group. The Unit currently seeks a Business Analyst to join a small team reporting to the Group Economist.

Responsibilities will cover:

- analysis of issues, including broad economic and social trends affecting Group development
- tracing market and industry trends and changes
- preparation of briefings for senior management and articles for internal publications
- supervision of the Unit's information resources

Candidates, preferably graduates or professionally qualified, should be articulate, diplomatic and desirably possess some familiarity with the use of personal computers.

This is an excellent career development opportunity which should lead to further progression within the TSB Group. An attractive remuneration package is offered, including relocation expenses where appropriate.

Applicants should write enclosing full curriculum vitae to: Mr J. J. N. Stroud, Management Development Executive, TSB Group Central Executive, 25 Milk Street, LONDON EC2V 8LU.

TSB GROUP

Prestigious North American Bank Major Europe-Wide Credit Role

One of North America's largest banks, our Clients are recognised as a leading name in the City with a substantial international presence. An opportunity now exists as Assistant Manager - Credit.

An experienced European banking professional with a strong background in credit and financial analysis, you will perform a credit function which includes the review, recommendation and approval of credit proposals for a variety of borrowers. Acting as principal credit liaison for our Clients' European offices and contributing to profitable portfolio management, you'll also supervise and develop a team of Credit Analysts.

Success in this role offers excellent potential to progress into marketing and therefore calls for a credible, concise, imaginative communicator with considerable self-motivation. Diplomatic, assertive and with a good working knowledge of French - you will understand computer techniques and their application to financial analysis and portfolio management.

Your salary of £20,000 - £25,000 is supported by the full range of banking benefits - including substantial mortgage facilities and preferential loan arrangements - plus a company car.

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Applicants are likely to have the following characteristics:

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- Experienced in investment/security analysis
- Numerate and literate
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A fully competitive salary is offered together with an attractive range of benefits including mortgage subsidy and a generous non-contributory pension scheme. Career prospects within the Schroder Group are excellent.

Applications in writing, with full curriculum vitae, should be sent to: Mr. John R. Lambert, Head of Staff and Administration, J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London EC2V 8DS.



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Please telephone Shelagh Arnell on 248 0820 or cvs to ASB RECRUITMENT, 52/54 Carter Lane, London, EC4V 5AS.

Merrill Lynch International Bank

Senior Credit Analyst

Merrill Lynch International Bank is expanding its lending and other credit related activities. This growth requires the addition of an experienced international credit analyst to support the treasury and foreign exchange marketing groups. Reporting to the Senior Credit Officer, responsibilities will include the completion of credit proposals and legal documentation with customer contact as may be required. There is significant scope for career development within the credit or marketing areas.

The successful applicant should have a degree and a minimum of 5 years credit-related experience. US Bank credit training and fluency in a foreign language will be an advantage. A highly competitive compensation package will be offered.

Please write giving details of your career to date to:

Keith Robinson, Recruitment Manager, Merrill Lynch Europe Ltd., 27 Finsbury Square, London EC2A 1AQ.

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Required for LBS Information Service, to provide fee-based commercial information to business and industry from the Library of the School. The person appointed will have considerable experience at business information research, a very good knowledge of online database sources, and will work with two other full-time information specialists.

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"Able to adopt a high profile at a senior level" "Either a Chartered Accountant or a Lawyer"
"—probably with a degree and certainly with several years' post-qualifying experience"

These are just a few of the requirements we decided were essential when discussing some important new opportunities here at The Stock Exchange.

Every one of them pertinent to the role you could have within a professional group—a demanding job which will stretch your abilities. You would be examining applications for admission to listing and the Unlisted Securities Market, with particular reference to the marketing, accounting and disclosure aspects. A position in which it is necessary to maintain a high profile with senior company representatives and their professional advisers. The environment in which you will be working will also broaden your experience and help you to realise your full potential.

We are looking for people who are already aware of the major factors surrounding the 'revolution' in the Securities Industry, and can apply a knowledge of company law, and the requirements for listed companies and for companies in the U.S.M.

This is an excellent opportunity to point your career in a new, challenging and highly rewarding direction. The salaries we are offering will reflect the importance with which we regard these positions, and the many benefits include a company car, a fully-paid season ticket, BUPA and a non-contributory pension scheme.

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The Stock Exchange

IMPERIAL COLLEGE OF SCIENCE AND TECHNOLOGY (UNIVERSITY OF LONDON)

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Graduate in a numerate discipline with recent work experience and competence in the application of statistical methods and the use of microcomputers required for planning unit in the central administration. Familiarity with the techniques of planning and financial evaluation is desirable. Ability to present information clearly, both orally and in writing, essential.

Salary range £6,600-£12,150 (under review) p.a. plus £1,297 London Allowance.

Further particulars
(no application forms)
from the
Administrative Secretary,
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SW7 2AZ.

Closing date: 31 October 1985

Investment Analysts

The City
to £22,000

An institution managing assets currently approaching £1 billion is establishing and developing a research capability under a newly-appointed Head of Research.

Analysts are now needed to take charge of various UK sectors and overseas markets. These new appointments will appeal to numerate graduates with drive and ambition... and around two years' experience of fundamental analysis within a large financial institution.

Success here could lead to either more direct involvement in portfolio management or a rewarding long-term future in international research.

Salaries will be negotiated up to £22,000, depending upon age and experience, and supported by a range of appropriate benefits.

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SLAUGHTER AND MAY are looking for YOUNG LAWYERS

Slaughter and May invite applications from young solicitors with up to 4 years experience who want a career with a major City firm, working in the Company/Commercial, Commercial Property, Litigation, Tax or Pensions/Employment Departments.

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Salary and benefits are attractive and the working conditions are good. Write now, with a detailed curriculum vitae, to:—

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Business Manager

for Investment Management Systems

The needs of the Investment Professional are constantly changing. Information at a touch is a necessity and trends in the use of computer software in finance have begun to fulfil that need.

There are however, few comprehensive financial applications solutions available, especially within investment management.

But that is about to change. And if you've got the drive, contacts and iron clad confidence, this could be your ultimate challenge.

Our client, a multi million pound American subsidiary, is about to market the most revolutionary investment management systems package yet to reach the UK market. The product is a fully integrated, on-line computer system for investment professionals and organisations.

As the Business Manager, in your mid 30's to 40's you will probably be employed as an investment manager or dealer, used to negotiating with blue chip companies and public bodies, or alternatively within the finance sector of the software or

computer industry.

You will have an in depth knowledge of the City and international finance markets, where your established contacts will assist you in selling the system to major insurance companies, financial institutions and banks.

You'll need to be the sort of person to "take the bull by the horns" as you will be wholly responsible for the business—from originating business plans and implementing them, to recruiting your own team.

For those with the necessary stamina and will to succeed prospects are unlimited. And, our client is prepared to pay what you can reasonably demand plus a full range of big company benefits.

To apply send a comprehensive c.v. in the strictest confidence to R. Leake, Deputy Chairman, Ref MA612, Robert Marshall Advertising Limited, 44 Wellington Street, London WC2E 7DJ. Applications will be forwarded to the client concerned, so please list separately any companies to which your details should not be forwarded.

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Planning and Financial Analyst

London

to £25,000 + car

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Continued expansion of this £800m turnover organisation has created the need for a perceptive analyst to fulfil a major financial control role. Reporting to the Group Controller, tasks will cover corporate planning, strategic analysis and the financial monitoring of subsidiary performance; this will include financial control and acquisitions. Additional investment and portfolio analysis plus MIS development will also be within the remit. A graduate with an MBA, you must have proven experience of implementing

change, persuasive communication skills, and a decisive, determined approach. Preferably experienced at large company commercial or industrial level, you will probably be in your late 20's to early 30's.

The salary will be negotiable from £20,000 for candidates with good experience, to £25,000 for the exceptional candidate. An extensive benefits package includes a company car, BUPA and contributory pension scheme.

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FTP

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James Capel & Co.
Winchester House
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London EC2N 1BQ
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Contact: Annabel Crane Tel: 628 4835

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Spot FX Trader

In line with the overall expansion of the Merrill Lynch group of companies in London, Merrill Lynch International Bank now require an experienced dealer with extensive experience in the currency spot markets. The foreign exchange brokerage unit within the Bank provides a much respected service to major institutions throughout Europe, including 24 hour trading in world markets, investment advice and long-term market analysis coupled with a strong pro-active attitude to trading and sales within FX markets.

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A highly attractive and competitive compensation package will emphasize the seniority and importance of the position.

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ML

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SAUDI ARABIAN NATIONAL CENTRE FOR SCIENCE AND TECHNOLOGY (SANCST)

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Interested architectural/engineering firms are requested to contact:

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SANCST FACILITIES DEVELOPMENT
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Kingdom of Saudi Arabia
Tel: 478 8000 Telex: 201590

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Growth plans have resulted in the need to recruit experienced traders in the following areas:

FX - Spot Dealing: to trade a major currency in the spot markets;

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Applicants should ideally have a minimum of three years' experience in the relevant sector. A proven and successful dealing record is a pre-requisite for each of these positions.

These are attractive opportunities to join a large, active and innovative dealing room and the successful candidates will be rewarded with a competitive salary together with a full range of benefits.

Please write with full career details to
TOM KOLLINSKY at NORDIC BANK PLC,
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Providing a range of specialist financial services to commercial and personal accounts, our clients are an important subsidiary of one of Canada's leading trust companies, with substantial interests both here and in the USA.

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Financial Controller

c£22,500 + car (Project L596)

Undertaking a diversified, supervisory role involving company secretarial, accounting and business management responsibilities; the Financial Controller will play an active part in the efficient management of all financial matters, short and long-term policy planning, the administration of current computer systems and the implementation of necessary systems improvements.

Applicants should be qualified accountants, aged 23-35, with an established financial services background (ideally bank or building society), a familiarity with computer systems, good communication skills and the ambition to develop their career within the role.

Management Accountant

c£15,000 (Project L597)

Reporting to the Financial Controller, a qualified or part-qualified accountant is required to assist in the compilation of all management accounts. Applicants should be aged between 23-38, with a sound background in management account preparation, gained preferably within a major financial company.

In addition to excellent basic salaries, both positions carry a wide range of attractive large-company benefits, including preferential mortgage and loan facilities, non-contributory pension and life assurance schemes, and assistance with relocation if applicable.

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Our U.K. office will specialise in the finance of trade between Northern Europe and the Middle East. We have just become operational and are about to make the following appointments:-

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£25,000/£30,000

We need people experienced in identifying, negotiating and concluding short and medium term trade finance. A good credit background is essential. The successful applicants will be self-starters, highly motivated, able to work with detailed marketing plans and have at least 10 years' management experience in their fields.

OPERATIONS MANAGER

£20,000/£25,000

We require a high calibre individual with extensive hands on experience in computerised accounting systems, documentary credits, loan administration, funding, office administration, and generation of budget, control and planning data.

ADMINISTRATION EXECUTIVE

£10,000/£15,000

This opening is for a young professional able to computer-process our finance and management accounts. He or she will report to and assist the Operations Manager.

Please write in confidence to:-

The Managing Director, Box A8162, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY, enclosing a full CV giving details of work experience and current salary together with a recent photograph.

FINANCIAL PRODUCTS AND SERVICES DEVELOPMENT MANAGER

Central London c.£25k + car/benefits

Plans for growth result in this new appointment within a well-established, prestigious financial institution providing high-class banking and other financial services.

The successful candidate will be responsible for the development of a range of financial products and services specifically tailored to meet the special requirements of the customer base.

You will already possess proven skills in a similar marketing environment and will preferably be currently working within the banking/financial services sector, although this is not an essential requirement. You will probably also hold an appropriate qualification.

The role demands strong personal qualities based on knowledge and successful experience. Candidates should be creative, authoritative, persuasive, able to communicate effectively to all levels - leaders who can quickly impress with stature and credibility.

Especially important will be the ability to act as a catalyst and co-ordinator for new ideas, determining which to progress and prioritise within an environment dedicated to rapid development.

A highly competitive salary and benefits package is offered with good prospects for career development.

Please apply in confidence, with C.V. to: Michael Southern.

Senior Management International

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Senior Business Analyst

Information Technology

City

Stockbroking

c£40,000 Package

This challenging appointment has arisen within a well known firm which fully intends to be amongst the front runners after the deregulation and internationalisation of the securities market.

In order to meet this objective, it is essential that systems strategy and development can absorb changing market conditions and the firm's response to them.

This is where your skills will be utilised; to analyse the needs of the End Users, and the market in general, in order to enable information

Services to implement the most appropriate up to date techniques.

In your thirties with a good degree, currently working in a financial services environment, you must be able to demonstrate a successful career path within information technology and/or business strategy/analysis.

Commercial awareness, clarity of thought and exemplary communication skills are of paramount importance.

To apply, please send a CV immediately quoting Ref: MY 010.

Lloyd Chapman Associates

International Search and Selection
150 New Bond Street, London W1Y 0HR
Telephone 01-408 1670

Managing Director

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SUBSTANTIAL BENEFITS

Our client, a substantial international public company and housebuilder, with a growing reputation for quality is seeking a Managing Director of exceptional ability to head up its northern subsidiary.

Based in Manchester the position will involve the complete control of the subsidiary which currently produces in excess of 400 units per annum and whose geographical range is throughout Northern England.

The successful applicant will need to show evidence of a totally commercial attitude to the housebuilding market, demonstrate entrepreneurial flair, and be aware of and able to respond to changing consumer trends. Operating with a considerable degree of autonomy, the Managing Director will be expected to generate high levels of profit from more than adequate financial resources.

The remuneration package will be circa £30,000 including profit share, together with substantial large company benefits, car and relocation package.

Applications, which will be treated in the strictest confidence, should be sent to Alan Fredericks.

BRA Recruitment

Tartan House, 94 New Bond Street, London W1Y 9LA

L.M.E.

Senior Dealer, based in the City, required for a major new venture. Excellent remuneration and benefits: an opportunity to become part of an exciting project right from its advent. All applications will be treated in the strictest confidence.

Write Box A8161, Financial Times
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Brian Woodhead Group

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CITY ADVERTISING AGENCY SECRETARY

We are a fast growing agency and require a secretary prepared to work with a hard working team who believe that if the client wants it, it is possible.

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Phone or write to:
Peter Stevens, Director,
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Partner with substantial private client business requires an assistant to work with him on a commission sharing basis. The successful candidate is likely to be a Member in his late twenties or thirties with several years' experience in advising private clients and will have some existing clients of his own.

Please write with details to Box A9157, Financial Times,
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For Editorial Department

Graduate required for economic research with some experience in stocks and shares and company analysis for expanding publishing company. Salary £5,000.

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We require executives preferably in their 40s with a background in industry, commerce or the professions, to be trained to offer a wide range of financial services to businesses, professional intermediaries and individuals. Income is not limited and benefits are provided.

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Medium sized London Stockbrokers require, as part of their expansion plan, an Experienced Broker to help service their growing list of U.K. and overseas clientele.

Applicants should be servicing U.K. institutions or have relevant experiences in the sales field.

The successful applicant will be a creative self-starter and prepared to work with a young and forceful team.

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Write to: M.A.J. Gurney, 3/4 London Wall Buildings,
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million"

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Basic fee for all material plus bonuses based on success of individual recommendations.

Replies to Box A.9155,
Financial Times
10, Cannon Street
London EC4P 4BY

EXECUTIVE DIRECTOR AND MANAGERS: EUROBOND SETTLEMENTS

Our client is one of the world's leading merchant banks, their name a byword for professional excellence. For the senior position, several years of managerial experience is essential and top range salary and benefits will be on offer. For the managers salaries will be to £30,000 or more, depending on calibre and experience.

All positions demand strong leadership qualities and a first-rate knowledge of Eurobond Settlements procedures evidenced by a very strong track record in the field.

FRN TRADER

c. £25,000

Our client is an international Merchant Bank with a forceful presence in the Bond Market. They seek a trader with at least 6 months' FRN experience to take sole responsibility for an active book will report directly to the Managing Director. Salary and benefits are very flexible and prospects unlimited.

To discuss these positions in more detail and complete confidence please contact:

ANDREW AVENELL on 01-236 8192
JAC RECRUITMENT & EMPLOYMENT,
23 College Hill, ECA.

JAC

STATES OF GUERNSEY ADVISORY and FINANCE COMMITTEE INSURANCE SUPERVISOR

Salary Negotiable 20% Income Tax

Guernsey is an established offshore international banking and financial centre. The Island is widely recognised as the leading offshore insurance centre in Europe with more than one hundred companies engaged in a wide spectrum of insurance activity embracing captive insurance, reinsurance, life assurance, and general insurance business.

In view of the continuing growth of the financial sector in general and the insurance sector in particular, it has been decided to strengthen the staff of the States Advisory and Finance Committee (the regulatory authority for the financial sector) by the appointment of an Insurance Supervisor. This is a senior appointment with responsibility for implementation of the Island's new Insurance Business Law, including the licensing and ongoing supervision of insurance companies and managers.

Applicants will have had wide experience of the insurance industry, with knowledge of the techniques for evaluating the security of insurance and reinsurance companies, regulatory systems, and international business being particularly relevant.

The appointment can be either on a permanent or fixed contract basis and salary is negotiable depending on experience and the basis of the appointment. A licence to purchase or rent moderately priced housing may be made available to a successful applicant who does not possess Guernsey residential qualifications.

Further information and application forms are obtainable from:
THE ESTABLISHMENT OFFICER
STATES CIVIL SERVICE BOARD
NELSON PLACE, SMITH STREET
ST. PETER PORT, GUERNSEY
to where completed forms should be returned to arrive by
31 October 1985

Accountancy Appointments

Group Treasurer

next

Leicester

£25,000
+ Attractive
Bonus + Car

The entrepreneurial management style of J. Hepworth & Son plc encourages creativity, growth and profitability. Next ladieswear's success has been emulated by the menswear chain and the rapidly growing retail credit company. The group's commitment to further expansion is illustrated by the launch of Next Interiors and the acquisition of a further 104 retail outlets.

Reporting to the Group Finance Director, you will be responsible for the Hepworth Group's treasury management. Initially the emphasis will be on the development of foreign exchange and cash management policies in the context of the operating companies' needs. You will also contribute to projects handled by the small Head Office team.



Arthur Young Executive Selection

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

You should be a goal-oriented qualified accountant in your early 30s. Ideally you will have 2 years treasury experience or substantial exposure to treasury management within the financial control function. Success will be determined by the ability to combine strategic thinking with the drive to implement ideas. You must be able to communicate at all levels and adapt to a fast moving environment.

Please reply in confidence, giving concise career, personal and salary details, quoting Ref. EP813/FT to H.F. Male, Executive Selection.

Arthur Young Management Consultants,
Rolle House, 7 Rolle Buildings, Fetter Lane,
London EC4A 1NH

Group Chief Accountant

West
London

To £28,000
+ Car

This major British public group manufactures and sells a range of consumer products internationally. The group's policy of geographic and product diversification has resulted in an impressive record of increased profits and turnover. Sales in 1985 will be over £1.5bn.

The Group Chief Accountant has a technically demanding role in the Head Office team. The position holds responsibility for groupwide accounting matters, including policy setting and preparation of annual and interim accounts. The person appointed will manage the preparation of annual budgets and plans and monthly reports, all of which will involve presentations at the most senior levels.

The successful candidate will probably be a

graduate chartered accountant aged around 30. He or she should be able to demonstrate above average progression and achievements either with a professional firm or in commerce. Success in this role will be determined by a combination of intellectual and communication skills and will be rewarded by promotion and exceptional career development opportunities as demonstrated by previous jobholders.

Please reply in confidence, giving concise career, personal and salary details, quoting Ref. EP814/FT to H.F. Male, Executive Selection.

Arthur Young Management Consultants,
Rolle House, 7 Rolle Buildings, Fetter Lane,
London EC4A 1NH

Group Financial Accountant

London

c. £20,000

Our client is an international newspaper and publishing group with extensive interests in the UK and US. Continued expansion has created a vacancy for a Group Financial Accountant to work in their Head Office.

Reporting to the Group Financial Controller, the varied duties will include financial reporting for the Group Head Office Companies, developing group accounting procedures, monthly group balance sheet reporting and liaison with group taxation advisors. The company is also committed to expansion into new areas of activity and it is envisaged that the person appointed will assist in investigation work for possible acquisitions.

The successful applicant should ideally be a qualified Chartered Accountant with 3-4 years' post-qualification experience within a commercial group environment. They should also be able to bring a high degree of initiative to bear upon their work as well as possessing good oral and written skills.

Prospects for career development either within the group or in an operating company are excellent.

If you feel you meet these demanding requirements, then please write to Hugh Everard, in strictest confidence, at 39/41 Parker Street, London WC2B 5LH or telephone him on 01-831 2000, quoting reference L2060

Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
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Exploration Activities

A challenge to a young Accountant

Total Oil Marine is a substantial North Sea operator committed to an expanding programme of offshore activity. Currently the supplier of around 40% of the UK's natural gas, we are developing the Alwyn North field scheduled to come on stream by late-1987, as an important new source of both oil and gas for Britain.

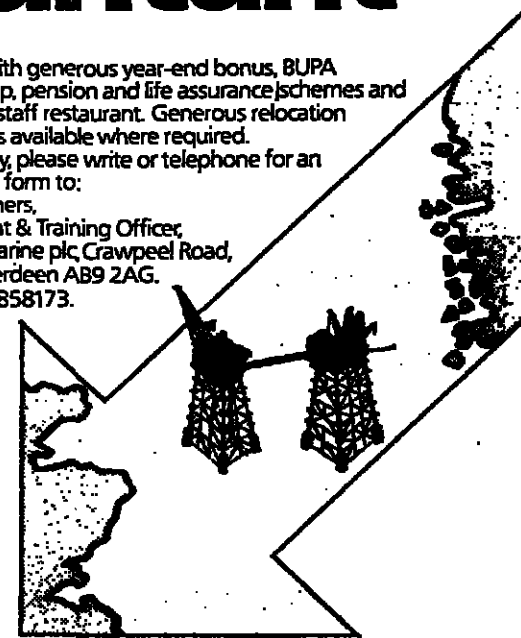
To keep pace with the Company's increasing exploration activities, a new position has been created for an Accountant to join our Management Accounts Group based in Aberdeen. You will be an active member of this team, where flexibility, the capacity to work under pressure and effective communication skills are essential. It will be your responsibility to monitor, control and report to Senior Management and Partners on appraisal activities, which will provide you with the opportunity to become involved in all aspects of exploration accounting procedures.

This position would be an excellent career move for a qualified Accountant with 1-2 years' experience in an oil related environment. You must also have had exposure to computerised accounting systems; and a knowledge of modelling/reporting software packages would be a distinct advantage.

A highly competitive index-linked salary is offered

together with generous year-end bonus, BUPA membership, pension and life assurance schemes and subsidised staff restaurant. Generous relocation assistance is available where required.

To apply, please write or telephone for an application form to:
Paula Feathers,
Recruitment & Training Officer,
Total Oil Marine plc, Crawpeel Road,
Aberdeen AB9 2AG.
Tel: (0224) 858173.



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"In the forefront of Petroleum Refinery Technology"

UOP Inc. is a world leader in the provision of services and products to the Petroleum and Petrochemical industries. Continuing development of its international operations has created the need to strengthen the

Group Accountant

Enfield, Middlesex

c.£17½K

Working closely with the European Controller, you will have an international brief covering budgets, profit forecasting, monthly accounting procedures and responsibility for the treasury function. Additionally, you will assist in special projects such as the imminent computer installation. Ref. B.35006.

In both positions there will be a need to provide financial management expertise to overseas operations and consequently regular foreign travel will be part of the job. Longer term prospects within the Signal Group are considered to be very good. Benefits package includes

Management Accountant

Central London

£15K

You will have a key role in preparing management accounts and budgets, developing management information systems and providing sound practical advice to senior line management in these critical areas. We take it as read that you have a full understanding of computer applications and that you will relish the opportunity of implementing the new IBM microcomputer network. Ref. B.35007.

pension, medical care schemes and relocation expenses, where appropriate. If you would like to be considered for either of these opportunities, please write, quoting the appropriate reference, to Phil Bainbridge.

These appointments are open to men and women.

HAY-MSL Selection and Advertising Limited, 52 Grosvenor Gardens, London SW1W 0AW.

HAY-MSL

FINANCIAL SERVICES

-AN URGENT CALL FROM-

INPHONE

FOR A YOUNG ACCOUNTANT

Central London to £17,500

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We are designing, developing, distributing, promoting a whole new concept in telephone equipment for the domestic and business markets. And we call the concept INPHONE.

We now have an opportunity in the finance function, based in Bridgewater Square, London.

The position has exceptional potential for a graduate qualified accountant keen to get involved in...developing management information systems, monitoring financial performance, reviewing the results of investigations, financial advice to management.

You will have a commercially-orientated background with the ability to absorb information fast and the capacity to respond rapidly to the changing demands of our expanding business. Post-qualification industrial or consultancy experience is essential.

For further details about the job, contact Peter Ansell on 01-628 8833. If you would like to apply, please write enclosing a full CV to Ann Hulbert, British Telecom, Management Recruitment Unit, Room 26/48, Euston Tower, 286 Euston Road, London NW1 3DG.

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TELECOM

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FINANCIAL CONTROLLER

(West Sussex)

GEA Spiro-Gills Ltd. manufacture air-cooled heat exchangers for the Petroleum, Chemical and Process Industries. We require an experienced Financial Controller to work in our main office and factory at Pulborough, West Sussex.

Initially the position will be as assistant to the present controller, but upon his retirement, it is expected that the successful candidate will take over full responsibility for financial control for the total company.

Applications are invited from qualified chartered accountants aged under 40 with experience of computerised cost-centre costing and job costing as well as fully-integrated computerised financial accounting, preferably with a company engaged in the manufacture of custom-built capital equipment.

Please write, enclosing c.v. and indicating salary, to:

GEA

R. A. Pocock
Personnel Manager
GEA Spiro-Gills Limited
London Road, Pulborough
West Sussex RH20 1AR

FINANCE DIRECTOR DESIGNATE BURTONWOOD BREWERY PLC, CHESHIRE

c£25,000 + benefits

We are a successful, expanding, independent Brewery company and we currently seek to strengthen the management team by appointing a Finance Director Designate reporting to the Chairman and Chief Executive. The successful candidate will be expected to make a significant contribution to the development of the company as well as being totally responsible for its financial affairs.

Applicants must be qualified Chartered Accountants, age 30-45, with a record of achievement at a senior level preferably in a related industry. He or she will have a high level of financial acumen, a strong personality, excellent communication skills, drive and confidence to lead and motivate.

For this high level of expertise we offer the expectation of an early Board appointment, an excellent salary together with a wide range of other benefits normally associated with a position of this nature.

Please send a comprehensive career resume which will be treated in strict confidence to:

Mr. J. G. Dutton-Forsyth,
Chairman and Chief Executive,
Burtonwood Brewery PLC,
Gold Lane, Warrington, Cheshire WA5 4PJ



Recently Qualified ACA

C. London

c£17,500

Our client is a well established marine insurance association with offices based in an attractive location overlooking the Tower of London.

As a result of re-organisation within the finance function a new position has been created for a recently qualified Chartered Accountant aged 25-30 with 'large firm' experience.

Reporting to the Financial Director you will be responsible for a small team with particular emphasis on statutory accounting, interpretation of

management information and involvement in the specification of enhanced computerised systems.

The leading market position of the company linked with the ambitious plans for developing the financial systems will provide excellent career opportunities as well as first rate experience within an unusual and stimulating environment.

Contact John P. Sleigh FCCA,
on 01-405 3499
quoting ref: J/313/RF

**Lloyd
Management**

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Banking Systems Accountant

Generous Salary + Benefits



Our client, Hongkong Bank Ltd., is the European Merchant Banking arm of the Hongkong Bank Group. As part of their significant expansion programme and to meet the demand for increasingly sophisticated management information, the Bank's reporting systems are being strengthened.

The Systems Accountant will be a senior member of a newly formed team, with responsibility for the successful implementation, maintenance and continued development of the Bank's planned installation of a new Banking Software System. He/she will ensure that the reporting systems are both flexible and appropriate to the needs of this rapidly growing and innovative Bank.

Reporting to the Assistant Director, Information Systems, you will be a qualified Accountant, probably in your late twenties/early thirties and have gained a minimum of two years' experience of Banking Systems. Your high professional standards, good interpersonal skills, initiative, energy and enthusiasm will ensure accelerated career progression within this entrepreneurial organisation.

A generous remuneration package to include a car and full range of banking benefits will be negotiated reflecting the importance attached to this position.

For further information please write, enclosing personal details, or telephone Susan Ross.

FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE, 69A LONDON WALL,
LONDON EC2M 6TP. TELEPHONE 01-628 2441

Firth Ross Martin

Financial & Professional Selection Consultants

Accountancy Appointments

Financial Investigations

Balfour Beatty is a major international construction group with an annual turnover approximately £750m.

An opportunity has arisen to join a small team based at the Group's Head Office near Croydon, which undertakes a wide range of review and investigation assignments both in the UK and overseas. Travel will be up to about 50%.

Applications are invited from Chartered Accountants with at least 2 years post qualification experience. This is a challenging appointment, and the successful applicant must have the ability to deal with all levels of management. Prospects for career advancement within the finance function are excellent.

There is an attractive remuneration package together with a company car, private health insurance, and other benefits. Relocation expenses will be paid where appropriate.

Applicants should send brief career history and personal details for the attention of the Group Personnel Manager, Balfour Beatty Limited, 7 Mayday Road, Thornton Heath, Surrey CR4 7XA.

BB Balfour Beatty

THE INTERNATIONAL ENGINEERING AND CONSTRUCTION GROUP

Finance Director

c. £35,000

For a major public company based in Central London, in the property sector, primarily developing commercial and industrial properties for its own portfolio, valued at in excess of £250 million. Although mainly in the U.K., there are substantial and growing investments in Europe, the U.S.A. and Australia. In addition to dealing efficiently with all internal financial and management accounting affairs, the person appointed will be responsible for matters related to financing, tax and legislation and be expected to participate in the formulation of company policy with his fellow Directors.

Candidates, aged 35-40, must be suitably qualified. Their experience may be in property, but, if not, is likely to be in broad financial services, which may be corporate or professional. The key stone is possession of an acute and creative financial mind, coupled with the ability to work—shirt sleeves style—in a close, dedicated team.

The company operates a share option scheme. Car. Good fringe benefits. Please write, in strict confidence, giving details of age, experience, qualifications and present salary quoting Ref: 913/FT. No information will be divulged to our client without your permission.

CB-Linnell Limited

66 Friar Street, London W1V 5TA.
MANAGEMENT SELECTION CONSULTANTS
LONDON • NOTTINGHAM

Accountants for Management Consultancy

London

Salary to £25,000 + car

We are one of the leading international management consultancies; we are now looking for further first class consultants and analysts for our financial management practice in the UK and overseas.

For consultant positions, successful candidates will be qualified accountants aged 28 to 35, with an honours degree, who can demonstrate proven achievement in industry or commerce. Experience must include responsibility for systems development as well as line management in the finance function. Personal qualities will include the ability to communicate clearly both orally and in writing.

For analyst positions we are interested in hearing from less experienced people over 26 who otherwise meet the profile indicated above.

We offer outstanding opportunities to broaden your experience in a wide

variety of industries and to work with stimulating colleagues from a number of disciplines. There are excellent opportunities for promotion within Peat Marwick for those who wish to pursue a career in consultancy. Of particular interest to us at the moment are people with experience of manufacturing, retail, distribution and oil industries.

If you are interested in joining our London office and working with us in the UK or overseas, please write in confidence, enclosing a brief summary of your qualifications and experience, and quoting reference A/Oct/5, to Mike Carey at Peat, Marwick, Mitchell & Co., 1 Puddle Dock, Blackfriars, London EC4V 3PD.

PEAT MARWICK

Get Involved in International Accounting

If you are an open-minded young Accountant, seeking to make your first move into commerce, you will be attracted to this rare opportunity to build up a great deal of international experience relatively quickly.

This vacancy results from increasing activity at the London Offices of an international investment holding and services Company with diverse interests including oil and gas, precious metal mining and financial services.

As a senior member of a small friendly team, based in prestigious offices in EC1, you will report to the Financial Director and assist him in the preparation of accounts for subsidiary companies in various overseas locations. The Financial Director will deal personally with taxation and treasury management, but you will gain exposure to these areas by working closely with him.

You will take personal responsibility for computerising the accounts, in liaison with external consultants, to

ensure that the recently installed MICRODATA system operates at peak efficiency.

A qualified Accountant, probably chartered, aged 28 to 30, you have the personality and maturity to establish rapport with a wide range of international managers and professionals. Pragmatic and self-reliant, you are a good organiser with the ability to make things happen on time. Ideally, you have had previous experience of computerised accounts and some exposure to international business.

Rewards are excellent, with salary negotiable to £18,000 PA, free midday meals, BUPA and contributory pension scheme.

Please write, with full CV and details of current remuneration to Patrick Hill, Senior Consultant of Cripps, Sears and Associates Limited, Personnel Management Consultants, Westminster House, 2 Minster Street, Reading RG1 2JA. Telephone: (0734) 502561.

Cripps, Sears

QUALIFIED ACCOUNTANT required to head up accounts department of long established and expanding advertising agency based in West London. Previous experience in similar post an advantage. Please send CV to Box A3155, Financial Times, 10 Cannon Street, London EC4A 3DF.

Young Financial Director Designate

Richmond

£25-30,000
+ Profit Share & Car

In the 15 years since it was formed our client has built up its reputation as one of the U.K.'s leading companies providing specialist services to the Building Industry. Growth is accelerating fast, both organically and by acquisition, and the company is planning an early USM quote.

But skilled financial management will be critical to the achievement of the company's ambitious plans. They therefore wish to appoint a high calibre Financial Director Designate, aged 30-35, to be responsible to the Chairman for this vital function.

Responsibilities will be wide ranging and include corporate planning, developing improved computer-based systems of budgetary control, acquisitions appraisal and negotiation, cash management and funding, and providing strong financial support as a key member of the top management team.

They are seeking an ambitious young Qualified Accountant of high potential, with several years broad commercial experience and a sound record of achievement to date.

In addition to a fully competitive salary, the company offers an attractive package of benefits including a car.

Please send concise details, including current salary and daytime telephone number, quoting ref: D2013, to W. S. Gilliland, Executive Selection Division.

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

Young ACA - For Europe

NW London

Package to £17,000

* Could You... form part of a dynamic professional team responsible for projects in marketing, manufacturing, and distribution throughout Europe?

* Do You... want to join a household name in consumer marketing, a World Leader, which offers excellent prospects in Senior Line roles to self-motivated adaptable people?

* Have You... at least 3 years sound experience in the Profession? Aged 25/32 you should have developed good communication/personal skills to match your career ambitions.

* Can You... spend around 30% of the year visiting field locations in Europe? A second European language would be a distinct asset.

If so, you should be keen to learn more... write or telephone Shubha Chawla quoting Ref: SC 9181.

Lloyd Chapman Associates

International Search and Selection
160 New Bond Street, London W1Y 0HR.
Telephone: 01-408 1670.

FINANCIAL CONTROLLER. Chartered Accountant to assume immediate position as Chief of Accounts and Financial Controller at rapidly expanding South Eastern Computer skills essential. Starting 18,000 plus car. Age 25-35. Apply in writing to: Partnership Secretary: Folliard & Hayward, 20 Crawford Street, London W1H 2AR.

Chartered accountant

£14,500 to £18,000

KODAK LIMITED requires a Chartered Accountant for their headquarters Financial Division in Hemel Hempstead, Hertfordshire.

Applicants should be aged between 25-35, with sound financial accounting experience and good self-starting qualities.

Responsibilities will include the production of statutory accounts, advising management on statutory/fiscal accounting policies and practices, and carrying out special financial investigations.

There are good prospects of advancement for the right person. In addition to a competitive salary, the Company also offers excellent conditions of employment, including pension and profit sharing schemes and other benefits.

If you are seeking a challenging and demanding opportunity please send a full c.v. to:

Mrs M. H. Scott, Personnel Department, Kodak Limited, Kodak House, Station Road, HEMEL HEMPSTEAD, Herts HP1 1JU.



USM ENTRANT

Publishing/Films/Video facilities. Smart, tough, young financial director required.

Brief details initially to: Raymond Kirsch, Medi-Cine International, 32/38, Omsburgh Street, London NW1.

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

FINANCIAL ANALYST

c. £15,000

You will have qualified as a chartered or certified accountant and have at least 2 years' experience as an analyst.

For further information contact: Trevor Dixon on 01-433 1491

PAMELA DICKENS RECRUITMENT CONSULTANTS

Appointments Wanted

CHARTERED ACCOUNTANT

37, with widespread industrial experience, seeks challenging appointment in Birmingham area. Would consider full- or part-time work.

Write Box A3180, Financial Times 10 Cannon Street, London EC4A 3DF

Financial Controller Distribution

Wiltshire

c£18,500 plus car

Our client is the successful UK subsidiary of a highly progressive overseas-based group whose business includes the warehousing, distributing and marketing of a wide range of attractive consumer goods.

The financial controller, reporting to the finance director, will lead a small experienced team and will carry full responsibility for the accounts function in an environment that is strongly marketing oriented.

The need is for a chartered accountant, probably in the age range from the late twenties to early thirties who has supervisory experience in a successful commercial organisation, gained ideally in warehousing and distribution, or similar marketing-led service industry.

Please write in confidence to MJB Ping enclosing a detailed curriculum vitae and quoting reference F/395/P, Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU

E&W Ernst & Whinney

Head of Internal Audit Banking

28-35

London

£20,000 + bonus

Our client, an international foreign bank in London, wishes to recruit a Head of Internal Audit.

The bank is committed to upgrading its management systems and consequently requires an outstanding accountant to ensure that maximum benefit is obtained from its new procedures.

Candidates must be qualified accountants who have audit experience with computer based accounting systems. Some knowledge of SWIFT and EFT is preferred and experience in Banking would be an advantage.

Ability is required to produce concise reports and practical recommendations as well as to communicate at all levels.

Remuneration will be negotiable to £20,000 and a bonus equal to one month's salary. There are attractive fringe benefits, including assistance with mortgage and non contributory pension scheme. Ref: 2320.

SENIOR INTERNAL AUDITOR

A senior internal auditor is also required; candidates should be qualified accountants with good internal or external auditing experience. Salary is negotiable and there are the usual banking benefits. Ref: 2321.

Please send a comprehensive career resume, including salary history, quoting the relevant reference number and day-time telephone number to W L Tait, Executive Selection Division.

Touche Ross The Business Partners

Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

Partnership Secretary

Lincoln's Inn

Negotiable £22K+car

Our client is a well-established, profitable and expanding firm of solicitors. The practice offers a full range of legal services, with a particular focus on commercial law.

The partners' progressive approach to the future of the practice has created this new role to provide the financial control and strategic direction crucial to well-managed growth. The first priority of the appointed candidate will be to improve and expand the financial and management information systems. Thereafter, the appointment will comprise progressively wider responsibilities, including sophisticated financial management and partnership secretarial duties. In the short to medium term, this individual will be expected to achieve equivalent partnership status.

The ideal candidate will be a qualified accountant with financial management experience gained in a commercial environment. Aged 28 to 30, this individual will also have had direct involvement with computerised accounting systems and the management of people. He/she will have the judgement and outlook to contribute to the expansion and diversification of the practice.

Interested candidates should send a curriculum vitae in confidence (quoting reference 83) to Ann E. Bourne, Spicer and Pegler Associates, Executive Selection, Fairy Court, 65 Crutched Friars, London EC3N 2NP.



Spicer and Pegler Associates
Management Services

Thursday October 10 1985

21

Hunting Gate
4444
DESIGN CONSTRUCTION FINANCE DEVELOPMENT
Property Professionals
0462 3 4444Belgian retailer plans
\$22m U.S. acquisition

BY PAUL CHEESERIGHT IN BRUSSELS

GB-INNO-BM, the big Belgian retailing group, is taking its second step into the U.S. do-it-yourself market through the purchase of a 65 per cent stake in Handy Andy of Chicago.

It is paying \$22m (\$22.3m) over three years for its stake in a company which has turnover of \$100m from 14 stores, but no profits.

Handy Andy was established in 1946 but remained a small business until taken over by Mr Ron Bashow, who has expanded its sales network and consistently reinvested the net revenue. He will keep a 35 per cent holding and continue to

manage the company.

The purchase emphasises that the thrust of GB-INNO-BM expansion is both overseas and in the DIY market. The depressed level of consumer spending in Belgium and the physical difficulties of expanding in the country have forced the group to look overseas.

GB-INNO-BM already has a 23 per cent interest in Scotty's, the DIY market leader in Florida. In the year to last June, Scotty's returned net profits of \$17.5m on a turnover of \$433m. This profit is larger than that realised by GB-INNO-BM from its Belgian operations in 1984 - \$15m on a turnover of \$2.1bn.

The acquisition of the Handy Andy stake will give GB-INNO-BM participation in companies on the DIY market with a turnover of about \$1bn a year. Of that some \$350m comes from within Europe - the group's own Belgian DIY outlets, Homebase which is a joint venture with Sainsbury's in the UK, Somer-Hill in France and Superdoo in the Netherlands.

GB-INNO-BM is the result of a series of mergers and if the group follows the advice of McKinsey, the management consultants, the DIY activities will be hived off into a separate division as part of a decentralisation plan.

Alfa Laval forecasts recovery
after 35% gain at eight months

BY DAVID BROWN IN STOCKHOLM

ALFA LAVAL, the Swedish farm equipment and process engineering group, reports a strong improvement in pre-tax results for the eight months to August, expects a continued upswing through the end of the year and forecasts "a considerable improvement" in 12-month earnings after its weak SKr 403m (\$50m) 1984 showing.

Net sales climbed 10 per cent to SKr 5,770m. Operating income after depreciation was up by 25 per cent to SKr 365m. Lower extraordinary costs more than compensated for a

drop in financial income, yielding a pre-tax result of SKr 366m, up 35 per cent.

Inviting for the industrial group climbed by 18 per cent to SKr 3,380m with strong demand in food, separation equipment and thermal products sectors, as well as the dairy business which has benefited from a large turkey project in the Soviet Union, and a substantial earnings upturn is forecast. Order intake rose 31 per cent to SKr 4,230m.

These figures include the recent-

ly acquired companies Haven Automation International of Hong Kong, a marine and offshore services group, and Chemap of Switzerland, which sells fermenters to the biotechnology industry.

The agribusiness division is still suffering from weak demand among farmers. Invoicing dropped 8 per cent to SKr 1,300m, but capacity cuts are expected to yield an improved result despite a weak market. Order intake at SKr 1,470m was roughly unchanged.

Lex, Page 26

People Express
steps in with
Frontier bid

By Our New York Staff

PEOPLE EXPRESS, the fast-growing cut-price U.S. airline, has made a \$300m takeover bid for Frontier Airlines, the Denver-based regional airline, which has been trying to escape an unrelenting takeover bid from Texas Air.

People Express's \$24 a share offer came just hours after Texas Air had raised its own bid by \$2 a share to \$24. Frontier later said it had entered into a "binding agreement" to be acquired by People Express.

The bid marks a major expansion for Newark-based People Express, which was established in April 1981 and has carved out a major slice of the U.S. market as one of the cheapest and most successful of the new carriers spawned by the deregulation of the industry.

People, which is currently, the 10th biggest U.S. airline, has around 80 aircraft and a staff of 4,000. Frontier, which ranks 15th in size, has 42 aircraft and employs close to 5,000.

It has been known for some weeks that Frontier has been looking for a white knight to rescue it from Texas Air, which has been trying since last April to acquire it. Mr Frank Lorenzo, Texas Air's president, has acquired a fearsome reputation among U.S. airline employees because of his harsh treatment of the staff of Texas Air's Continental Airlines subsidiary.

Union hostility to Mr Lorenzo's management techniques were a key factor in the defeat of Texas Air's bid for Trans World Airlines (TWA) earlier this year. TWA employees sought the help of Mr Carl Icahn, the Wall Street investor, whom they persuaded to mount a rival bid to take the company private.

CP Air offers
C\$43m
for Nordair

By Robert Gibbons in Montreal

CP AIR, the airline and hotel arm of Canadian Pacific, is making a C\$43m (\$30.7m) share-exchange offer for Nordair, Canada's second largest regional airline, in an attempt to strengthen its domestic base and cut into Air Canada's 60 per cent market share.

The majority owners of Nordair, an institutional group, and the employees are supporting the CP Air offer, which is equal to C\$17.57 per Nordair share in convertible preferred stock. Provision is made for a Quebec Government agency to receive cash immediately for its 22 per cent holding if it so desires.

Last year CP Air bought Eastern Provincial Airlines, operating in the maritime provinces. If the Nordair deal is approved by the Canadian Transport Commission, CP Air would become much stronger in the key central Canada market. As another result its successful wholesale tour subsidiary would be merged with another tour company owned by Nordair. Both companies' charter routes would continue unchanged.

Defence orders keep
Raytheon profit ahead

BY WILLIAM HALL IN NEW YORK

RAYTHEON, the New England-based electronics and defence conglomerate, increased its third-quarter earnings by 11 per cent to \$65.3m, boosted by a similar growth in sales to \$1.56bn.

The group, based in Lexington, Massachusetts, said that electronics, its largest business, continued the greatest contribution to the company's growth in the third quarter, particularly with defence electronics systems. This strength was offset in part by continued softness in aircraft products, major appliances and energy services.

At the end of September, Raytheon's backlog of funded U.S. government orders stood at \$4.83bn, up from \$4.32bn a year ago. The group's total order backlog was marginally down, however, on the 12 months to \$4.6bn.

Raytheon earned \$1.17 per share in the three months to September 30, against \$1.01 per share in the same period last year. In the first nine months of 1985, its earnings from continuing operations were 13.2 per cent ahead at \$3.35.

The group has been buying back its shares and as a result the average number outstanding in the latest quarter totalled 81.5m down from 84.7m in the comparable quarter of last year.

Mr Jack D. Sparks, Raytheon's chairman, says third quarter factory unit shipments for the major appliance industry are slightly below those in the corresponding quarter last year.

Columbus lifts profits

BY JOHN WICKS IN BADEN

MOTOR-COLUMBUS is back to "business as usual," according to Mr Michael Kohn, company chairman. For the first time in 10 years, net profits of the Swiss civil engineering and energy holding company exceeded SwFr 18m (\$4.5m) for the financial year to June 30.

At the October 24 annual meeting the board is to propose distribution of an unchanged dividend of SwFr 25 per share from earnings of SwFr 18.4m (from SwFr 9.9m in 1983-84) with an increase from SwFr 1m to SwFr 3m in transfers to reserves.

Although earnings are likely to remain relatively modest, Motor-Columbus is recovering from the setback which led to a succession of losses or only minimal profits between 1978/79 and 1982/83. An extensive restructuring programme has been completed and corporate debt servicing substantially reduced.

According to Prof Angelo Puzzi, managing director, differences arising from the 1978 cancellation of a major Iranian contract have finally been settled. This had involved the contractor subsidiary Mobag International, which had to be totally written off by Motor-Columbus in 1983 at a cost of SwFr 71m. While there will be no further calls on Motor-Columbus's finances the company stresses that the losses it has sustained from Mobag of nearly SwFr 300m cannot be recovered.

Motor-Columbus has taken a fresh direction with the creation of a systems technology division. costs brought the pre-tax results down to SKr 145m, 60 per cent below the SKr 294m achieved last year. There were extraordinary charges of SKr 20m, compared with gains of SKr 60m the previous years.

The group expects some recovery in the final period but says whole year operating earnings of some SKr 200m will be about 6 per cent lower than 1984.

Italian jeans
maker plans
market debut

By Our Milan Correspondent

SOCIETA Italiana Manufatti (SIM), the Modena-based clothing company which manufactures Armani jeans and casual wear, is to come to the Milan bourse next month, offering 25 per cent of its shares for a total of 1.16bn (\$90m).

The company, which uses outside pieceworkers to produce clothing for Armani, Enrico Coveri, Daniel Hechter and others, is currently 80 per cent owned by three controlling families and 20 per cent by Halfmann, the investment banking subsidiary of the state-owned IMI medium-term credit agency.

The company will be brought to the market through the offer of 4.6m shares - 12.5m worth of new shares and 17.7m of existing shares. This will cause family stakes to drop to 65 per cent, IMI's holdings to 10 per cent, leaving 25 per cent on the bourse.

In the financial year which ends this month, SIM will announce a net profit of 1.85bn (\$4.8m) an increase of 16.5 per cent on the 12 months to October 31 1984. SIM's consolidated profits growth since 1982 is 74 per cent. The company, founded in 1962, was in loss until 1980 when it shifted its policy from in-house production to pieceworking.

Total consolidated sales for Sim will be 1.83.1bn (\$46.6m) for the 1984-85 financial year, while company growth in the company's earnings between 1982 and 1985 has totalled 39 per cent.

The share offer, to be underwritten by a consortium of banks led by the IMI offshoot, places a market value of L55.2bn on Sim. At L3.450 per share the price earnings ratio is 8:1. The new issue will require final approval by the stockmarket authority before its November launch.

Finsider warns
of bigger
loss this year

By Our Milan Correspondent

FINSIDER, the Italian state steel corporation, is expected to make a 1985 loss of between L800bn (\$448m) and L900bn, compared with last year's L1,496bn deficit.

The steel company had previously budgeted for a L828bn loss this year.

Finsider, a part of the IRI state holding group, also said yesterday that it now predicted a break-even result in 1987 rather than next year, as had been anticipated.

Total turnover in the first half of this year stood at L7,600bn, while for the whole of 1984 the group's turnover was L12,457bn. At year-end last year, Finsider employed 96,769 workers. Debt servicing in 1984 totalled L339bn.

The state steel concern has in recent years spent hundreds of millions of dollars modernising its Bagnoli works near Naples at a time when the EEC has been demanding production cutbacks.

Montefibre
chief to
head Alfa
Romeo

By Alan Friedman in Milan

SIG GIUSEPPE TRAMONTANA, the chief executive of Montefibre, Italy's largest producer of man-made fibres, is to become managing director of Alfa Romeo, the state-owned car maker which is Italy's second biggest after Fiat. An announcement of 48-year-old Sig Tramontana's appointment is expected today from IRI-Finmeccanica, the state holding group which controls Alfa.

Alfa Romeo, which last year suffered a loss of L87.5bn (\$34.8m), has been without a managing director since last April, when Sig Corrado Innocenti left to become vice-president of Enielsen, the chemicals subsidiary of the ENI state energy group.

Montefibre, which is 57 per cent owned by the Montedison group, is losing one of Italy's most able managers. Sig Tramontana, who has been with Montefibre since 1976 and is also president of Italy's synthetic fibres manufacturers' association, has helped to engineer a dramatic turnaround in recent years. Last year Montefibre made a L10bn net profit, the first time the company has been in the black for a decade.

Sig Tramontana will have his hands full at Alfa Romeo, a company which has manufacturing capacity for 400,000 cars a year, but last year produced 185,700 cars. He will also undoubtedly take charge of Alfa's exploratory talks with foreign car makers over possible collaboration agreements.

Eurobonds

BY MAGGIE URRY IN LONDON

MORGAN STANLEY yesterday followed up its issue for Gaz de France, launched on Tuesday, with a deal for Denmark which uses the same warrant structure. However, syndicate managers are questioning whether this fashion in the Eurobond market will prove more than transitory. The borrowers are believed to be getting cheap funds through a swap.

The \$100m Danish deal has host bonds with a 10-year life and an 11 per cent coupon, which are callable after five years. The 100,000 warrants are exercisable into a non-callable bond with the same maturity and coupon. The warrants can be exercised only during the first five years by surrendering the host bond, while in the last five years they can only be used to buy the bond back for cash. The Denmark package was priced at 104% whereas Gaz de France's deal was priced at 103%.

Denmark's issue was quoted yesterday just within the 2 per cent fees, although as with Gaz de France's deal it was launched late in the day. Traders reported that the Gaz de France warrants were slipping lower yesterday although the package was still trading comfortably within the fees.

The Eurodollar bond market saw only one other new issue, a \$75m five-year deal with equity warrants for Tokyo Corporation, the transport and property group, led by Nomura International. The coupon is fixed at 6% per cent and issue price at par. The bonds were trading above par as investors were quick to buy.

The market is still subdued with trading at a low level and prices little changed.

In the D-Mark sector, Deutsche Bank launched a DM 500m issue for Deutsche Bank Finance. The six-year bonds carry a 6 per cent coupon and are priced at 99%. This is the lowest coupon for a public issue since the late 1970s. Deutsche is keeping the syndicate small and the bonds were not trading widely, although they were quoted around the 1 per cent selling concession.

Late in the day terms for the DM 100m issue for International Finance Corporation, part of the World Bank, emerged. The maturity of the private placement is seven years and coupon 6% per cent with a par issue price. Lead manager is Beyerische Vereinsbank.

The secondary market for D-Mark Eurobonds was weak again, unsettled by the uncertainty in the New York market as well as the weight of new paper. Prices fell by 1/2 point on average with some losses extending to one point.

In the European currency unit market CIBC announced that it had bought the Ecu 50m tap which was attached to a floating rate note issue launched by Banco di Roma in December. The lead manager of that deal was Mitsubishi Finance International. The issue matures in February 1987 and its current coupon is 6% per cent. CIBC would not disclose the price at which it bought the bonds but was offering them yesterday at 98.85.

Also in the Ecu sector, Bank of Helsinki launched a Ecu 38% issue which matures in March 1988. The deal, led by Credit Commercial de France, is connected to a swap into floating rate dollars. The coupon was set at 9 per cent and issue price at par. Fees total 2 per cent, and the issue was trading within that discount.

Despite the difficult state of the Euro-Australian dollar market, Sanwa Australia launched a A\$25m deal, led by J. Henry Schroder Wagg. The coupon was set at 14% per cent for the five-year deal with the issue price at 100%. Fees total 2

EUROBONDS

Denmark launches \$100m issue

BY MAGGIE URRY IN LONDON

MORGAN STANLEY yesterday followed up its issue for Gaz de France, launched on Tuesday, with a deal for Denmark which uses the same warrant structure. However, syndicate managers are questioning whether this fashion in the Eurobond market will prove more than transitory. The borrowers are believed to be getting cheap funds through a swap.

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Reynolds launches Euronote facility

R. J. REYNOLDS Industries, the U.S. tobacco producer, is arranging a Euronote facility backed by a \$300m standby credit which can also be fully used to support U.S. commercial paper issues writes Alexander Nicoll in London.

Among other developments in the Euronote market, a \$200m facility for CBS, the U.S. broadcasting group, has been oversubscribed despite a boycott by U.S. banks. Meanwhile J. Rothschild Holdings, the UK investment group, is likely soon to mandate managers for a facility expected to total about \$200m. The Reynolds deal, led by Bank

America Capital Markets Group, will allow the borrower to issue unlimited amounts of Euronotes, subject only to the limitation that each tender panel auction must be for no more than \$150m.

A small group of banks is being invited to participate in the three-year facility, which is called a Bonus - Borrowers Option for Notes and Underwritten Standby. National Nederlanden, the Dutch insurance company, and Volvo the Swedish motor, industrial and energy group, used the technique earlier this year.

Participating banks will receive a

front-end fee of 5 basis points, a facility fee of 10 basis points, and a 6% basis point utilisation fee if the standby is more than one-third drawn. Drawings on the standby will be at 6% basis points over London interbank offered rates, or at BankAmerica's reference rate if the swingline, through which U.S. commercial paper would be supported, is used.

CBS upset U.S. banks by mandating its borrowing, seen by them as prime U.S. corporate business, to a British bank, Barclays Merchant Bank. The U.S. banks have felt that foreign banks, by arranging cheap

note issuance facilities, have been undercutting their profitable domestic standby credit activities. Thus their response to the CBS deal has been keenly watched, particularly as terms were not as tight as the market originally feared.

Just over a dozen banks have committed themselves, resulting in substantial oversubscription, but no U.S. banks are among them.

J. Rothschild, headed by Mr Jacob Rothschild, made a rapid series of acquisitions of other City institutions, and then reversed its strategy with quick disposals.

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All of these Warrants have been offered outside the United States and may not at anytime be offered or sold in the United States or to citizens or residents thereof. This announcement appears as a matter of record only.

New Issue / October, 1985

Phibro-Salomon Inc

16,000 Warrants Each to Purchase 1,000 Barrels of West Texas Intermediate (Domestic Sweet) Crude Oil

16,000 Warrants Each to Sell 1,000 Barrels of West Texas Intermediate (Domestic Sweet) Crude Oil

Each Warrant to Purchase barrels of West Texas Intermediate (Domestic Sweet) Crude Oil entitles the holder thereof to purchase 1,000 barrels of West Texas Intermediate (Domestic Sweet) Crude Oil with U.S. dollars. Each Warrant to Sell barrels of West Texas Intermediate (Domestic Sweet) Crude Oil entitles the holder thereof to sell 1,000 barrels of West Texas Intermediate (Domestic Sweet) Crude Oil for U.S. dollars.

Salomon Brothers International Limited

LONDON: One Angel Court, London, EC2R 7HS, England
NEW YORK: Salomon Brothers Inc, One New York Plaza, New York, NY 10004
TOKYO: Salomon Brothers Asia Limited, Fukoku Seimei Bldg., 2-2 Uchisaiwai-cho, 2-chome Chiyoda-ku, Tokyo 100, Japan

New Issue

This announcement appears as a matter of record only.

September 30, 1985


Superfos a/s
 Vedbæk, Denmark

DM 150,000,000

7% Deutsche Mark Bearer Bonds of 1985 (1992-1995)

Issue Price: 100% Interest: 7% p.a., payable annually in arrears on October 1. Redemption: After a period of six years free of grace in four annual installments on October 1 of the years 1992 through 1995 through sinking fund purchases and/or drawings by lot. Denomination: DM 1,000 and DM 5,000. Security: Negative Pledge Clause. Listing: Frankfurt/Main.

| COMMERZBANK INTERNATIONAL GROUP | CREDIT LYONNAIS | DEN DANSKE BANK |
|--|--|--|
| BANKAMERICA CAPITAL MARKETS GROUP | KREDITBANK INTERNATIONAL GROUP | PRIVATBANKEN A/S |
| INDUSTRIEBANK VON JAPAN (DEUTSCHLAND) (AUSSENWIRTSCHAFT) | UNION BANK OF SWITZERLAND (SECURITIES) LIMITED | WESTDEUTSCHE LANDESBANK GROZENTRALE |
| SWISS BANK CORPORATION INTERNATIONAL LIMITED | | |

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| Al-Mal Group Arab Banking Corporation - Doha & Co. GmbH Baden-Württembergische Bank Aktiengesellschaft Bankhaus H. Aufhäuser Banca di Roma Bank Brussel Lambert N.V. Bank für Gemeinwirtschaft Aktiengesellschaft Bank Leu International Ltd. Bank of Tokyo (Deutschland) Aktiengesellschaft Bankers Trust International Limited Banque Générale du Luxembourg S.A. Banque Indosuez Banque Internationale à Luxembourg S.A. Banque Nationale de Paris Banque Paribas Capital Markets Barclays Merchant Bank Limited Baring Brothers & Co. Limited Bayerische Hypothek- und Wechselbank Aktiengesellschaft Bayerische Landesbank Grozentrale Bayerische Vereinsbank Aktiengesellschaft Joh. Benenberg, Goslar & Co. Berliner Bank Aktiengesellschaft Berliner Handels- und Frankfurter Bank Bankhaus Gebrüder Bethmann Bremer Landesbank Kreditanstalt Oldenburg - Grozentrale - Chase Bank AG Chemical Bank International Limited CIBC Limited Citibank Aktiengesellschaft | Commerzbank International S.A. Commerzbank (South East Asia) Ltd. County Bank Limited Credit du Nord CSFB-Effektenbank AG Dai-ichi Kangyo International Limited Dahwa Europe (Deutschland) GmbH Deutsche Bank Den nordiske Creditbank Deutsche Bank Aktiengesellschaft Deutsche Grozentrale - Deutsche Kommunalbank - DG Bank - Deutsche Genossenschaftsbank Dresdener Bank Aktiengesellschaft Dresdner Bank Aktiengesellschaft DSL Bank Deutsche Stadt- und Landesrentenbank EuroPartners Securities Corporation Generale Bank Genossenschaftliche Zentralbank AG - Grozentrale - Goldman Sachs International Corp. Hambros Bank Limited Hamburgische Landesbank - Grozentrale - Georg Henck & Sohn Bankiers Kommunikationsbank Aktiengesellschaft Hessische Landesbank - Grozentrale - Hill Samuel & Co. Limited Kasseler-Oesche-Pankid Kfzbank Aktiengesellschaft Kfzbank Aktiengesellschaft Kreditbank N.V. Landesbank Rheinland-Pfalz - Grozentrale - Landesbank Schleswig-Holstein Grozentrale | Lloyds Merchant Bank Limited LTCB International Limited Manufacturers Hanover Limited Merck, Finck & Co. Merrill Lynch Capital Markets R. Metzler seel. Sohn & Co. Mitsubishi Finance International Limited Samuel Montagu & Co. Limited Morgan Guaranty GmbH Morgan Stanley International The Nikko Securities Co. (Deutschland) GmbH Nomura Europe GmbH Norddeutsche Landesbank Grozentrale Österreichische Länderbank Aktiengesellschaft Sal. Oppenheim jr. & Cie. Orion Royal Bank Limited PK Christiana Bank (UK) Limited Postbank AG N. M. Rothschild & Sons Limited Smith Barney, Harris Upham & Co. Incorporated Société Générale Sparkassen SGB Svenska Handelsbanken Group Swiss Volksbank Trinkaus & Burkhart Vereinbank und Westbank Aktiengesellschaft M.M. Warburg-Birnbaum, Wirtz & Co. Westdeutsche Genossenschaftsbank Zentralbank eG Westfälische Landesbank Westpac Banking Corporation Wood Gundy Inc. Yamaichi International (Deutschland) GmbH |
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INTL. COMPANIES

Adsteam holds 9.33% of BHP

BY GORDON CRAMB

ADELAIDE STEAMSHIP, the diversified Australian group headed by Mr John Spalvis, yesterday disclosed that it had accumulated a 9.33 per cent holding in Broken Hill Proprietary (BHP), the country's resources giant.

But its statement to the Melbourne Stock Exchange, made in response to a BHP request, indicated that all but 2.55 per cent was committed in option form to Mr Robert Holmes & Court's Bell Group, which on Monday acknowledged Adsteam as an associate in its drive for a strategic stake in BHP.

The combined stake of the two, now close to 14 per cent, would be valued at some A\$1.2bn (US\$845m) if all existing options were exercised.

BHP, which made no immediate comment on the Adsteam announcement yesterday to make its stock more attractive to U.S. investors by instituting corporate backing for its American depositary receipts (ADRs).

Mr David Adam, BHP's general manager for corporate affairs, said existing ADRs would be withdrawn, to be replaced by paper sponsored by the company. BHP will meet the bulk of administrative costs for these new ADRs, and dividend fees will no longer be deducted.

Morgan Guaranty has been appointed the depositary bank for the ADRs. Some \$m are in existence, each representing two BHP shares and accounting for some 1.6 per cent of total equity.

The move appears to lessen the likelihood of an early move from the Nasdaq market, where the ADRs are currently traded, to the New York Stock Exchange. According to BHP, the company meets all the preliminary criteria for a Big Board listing, which it has been contemplating.

BHP estimates that about a quarter of its equity is held abroad, the bulk of this in London, where it has a full listing. Since July, when it announced record annual net profits of A\$774.2m, the group has been scrutinising its share register in an attempt to monitor the build-up of potentially hostile stakes.

This has been rendered difficult by the widespread use in Australia of nominee accounts, a mechanism which also hinders clarity on holding by foreigners.

BHP has been implementing notably over the past year, a programme aimed at widening its shareholding base. This was reiterated by Mr Adam yesterday, who brought investment "roadshows" to London and New York, as well as more extensive contact with Australian institutions.

The company acknowledged that it had in the past been less effective than it might in publicly charting its progress. According to Mr Adam, BHP's general manager for finance, "We failed to recognise the needs of the market for information to allow it to assess what was the underlying strength of BHP."

The drive for a foreign shareholder presence has come in tandem with an internationalising of group assets, most dramatically through the US\$82.5m purchase in 1983 of Utah International, the San Francisco-based mining company.

It is also a reflection of the fact that, because of its sheer size relative to its home market, domestic institutions have long been awash with BHP stock. The group accounts for more than 10 per cent of the capitalisation of the entire Australian market.

Pancontinental to place 12.7m shares

By Kenneth Marston,
Mining Editor

AUSTRALIA'S expanding Pancontinental Mining has placed 12.7m shares at a price of A\$1.90 (94p) per share with institutional investors. The placing, which will increase its stated capital from the previous 127.4m shares was arranged through Midstephenson Hoare Govett and Ord Minnett.

The issue has been made in order to increase funds available for growth which, Pancontinental points out, includes the proposed development of the high grade Lady Loretta zinc-lead-silver deposit in Queensland.

A 50 per cent stake in this was recently acquired from MIM Holdings for A\$10.5m by Pancontinental, which also has an option to buy the remainder of the 50 per cent at the same price from ELF Aquitaine Triak. It is hoped to reach first production at the proposed underground mine in about two years' time.

Meanwhile, sharply increased earnings are expected in the current year to June 30 from Pancontinental's 5 per cent stake in the big Central Queensland and Gregory coking coal ventures together with a company's Paddington gold mine at Kalgoorlie which was officially opened in August.

New Central in Transvaal agreement

By Our Mining Editor

NEW CENTRAL South Africa has entered into an equal joint venture agreement which gives Anglo American Corporation a 50 per cent stake in the mineral rights held by New Central on part of its farm Gertwagtersdorp 139 at Potchefstroom in the Transvaal.

Anglo American is funding the initial phase of a R2.45m (\$2.5m or \$3.6m) prospecting programme. After the phase one prospecting results have been evaluated, New Central will have to put up its half share of further expenditure if it decides to continue with the prospecting programme.

Meanwhile New Central, an investment holding company, has reported a profit for the year to September 30 of R1.7m against R1.35m in 1983-84. The annual dividend is lifted to 60 cents, making a year's total of 92 cents against 76 cents.

Metana Minerals, the Western Australian gold producer, made a net profit for the year to June 30 of A\$2.36m compared with a loss of A\$805,000 in the previous year. Last month Metana announced a maiden dividend of 9 cents and a A\$10.35m one-for-four rights issue at A\$2.55 per share.

Japanese trading houses in high-tech U.S. ventures

BY YOKO SHIBATA IN TOKYO

JAPAN'S major trading houses have been active in forming joint ventures with U.S. venture capitalists through investments which they hope will provide them with reliable information on the high-technology market in the U.S. and will offer new business opportunities.

Marubeni plans to inject an initial \$7m into two leading venture capital companies in biotechnology and electronics. Mitsui Corporation is spending some \$3.5m and Mitsubishi Corporation \$2m.

Marubeni is to put up about \$5m, or 6.7 per cent of the total, in a venture capital fund to be set up by Wolfenson Partners, specialising in biotechnology. It also intends to provide 4 per cent of the total of a fund set up by Technology Transition Limited Partnership

(TTLP), formed by Mr Peter Scott, a former vice-president of United Technologies. Investments will be chiefly in aircraft manufacture and electronics.

Mitsui, along with 13 or 14 other Japanese corporations, plans to set up a \$40m venture fund with Standard Oil of Ohio. The Japanese companies will provide about 80 per cent of the capital, while the fund will be managed by Vista's venture capital subsidiary, Vista Venture.

Mitsui has also participated in Soho's venture capital subsidiary in London.

In July Mitsubishi set up Pan Pacific Venture (PPV), based in Panama and with investment assets of \$4.5m, together with six other Japanese companies.

Six-month CD facility for DBS

Development Bank of Singapore (DBS) has signed an agreement with Singapore Nomura Merchant Banking for a six-month US\$bn (\$14m) certificate of deposit (CD) issuance facility. Reuter reports from Singapore.

DBS said the interest rate would be based on the bid rates for yen deposits of a period equal to the tenors of the CDs being quoted in the Singapore interbank market.

The bank will use the facility for its funding purposes.

For further details, please contact:
JOHN LEVER
on 061-834 9381
FINANCIAL TIMES
Europe's Business Newspaper

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

| | Ind. prod. | Eng. output | Eng. orders | Retail sales vol. | Retail sales value | Unemp. | Vacs. |
|-----------|------------|-------------|-------------|-------------------|--------------------|--------|-------|
| 1984 | 102.3 | 101.3 | 107 | 111.4 | 122.3 | 3,276 | 163.1 |
| 3rd qtr. | 103.4 | 101.3 | 105 | 112.7 | 124.0 | 3,103 | 164.1 |
| 1985 | 102.4 | 102.4 | 102 | 113.3 | 123.9 | 3,138 | 162.8 |
| 1st qtr. | 103.7 | 102.7 | 97 | 118.0 | 124.4 | 3,174 | 172.1 |
| 2nd qtr. | 107.7 | 102.7 | 97 | 118.0 | 124.4 | 3,180 | 173.6 |
| 3rd qtr. | 105.0 | 102.1 | 100 | 112.7 | 124.2 | 3,144 | 180.7 |
| February | 106.8 | 103.3 | 102 | 113.3 | 125.5 | 3,147 | 182.9 |
| March | 107.7 | 102.8 | 90 | 112.5 | 124.0 | 3,176 | 182.5 |
| April | 107.9 | 102.0 | 97 | 113.3 | 124.0 | 3,177 | 176.7 |
| May | 107.9 | 103.6 | 102 | 116.0 | 124.5 | 3,189 | 173.9 |
| June | 107.9 | 103.6 | 102 | 116.0 | 124.5 | 3,175 | 174.9 |
| July | 106.4 | 101.5 | 102 | 116.0 | 124.5 | 3,185 | 177.7 |
| August | 106.4 | 101.5 | 102 | 116.0 | 124.5 | 3,180 | 184.2 |
| September | | | | | | | |

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

| | Consumer goods | Invest. goods | Intmd. goods | Eng. output | Metal mfg. | Textile | Hous. starts |
|-----------|----------------|---------------|--------------|-------------|------------|---------|--------------|
| 1984 | 101.6 | 96.5 | 105.5 | 98.8 | 107.6 | 97.7 | 12.0 |
| 2nd qtr. | 102.0 | 97.7 | 104.6 | 100.2 | 110.8 | 98.2 | 12.2 |
| 3rd qtr. | 102.5 | 98.3 | 104.1 | 99.7 | 107.3 | 98.4 | 12.2 |
| 1985 | 102.3 | 101.3 | 104.9 | 103.0 | 112.1 | 98.9 | 12.4 |
| 1st qtr. | 102.0 | 102.7 | 112.9 | 103.4 | 121.6 | 98.3 | 12.5 |
| 2nd qtr. | 102.4 | 101.9 | 107.9 | 103.0 | 111.0 | 98.0 | 12.1 |
| February | 102.6 | 102.5 | 110.5 | 104.0 | 115.0 | 98.0 | 12.5 |
| March | 101.7 | 102.3 | 113.1 | 103.6 | 120.0 | 98.6 | 11.9 |
| April | 101.1 | 102.5 | 113.9 | 103.0 | 122.0 | 98.0 | 12.9 |
| May | 105.2 | 103.4 | 111.7 | 104.0 | 123.0 | 102.0 | 12.9 |
| June | 100.8 | 101.3 | 111.5 | 103.0 | 120.0 | 98.0 | 12.4 |
| July | | | | | | | |
| August | | | | | | | |
| September | | | | | | | |

EXTERNAL TRADE—Indices of export and import volumes (1980=100); visible balance; current balance (2m); oil balance (2m); terms of trade (1980=100); export/import ratio.

| | Exports | Imports | Visible balance | Current balance | Oil balance | Terms of trade | Export/import ratio |
|-----------|---------|---------|-----------------|-----------------|-------------|----------------|---------------------|
| 1984 | 109.9 | 122.7 | -12.8 | -363 | +1,804 | 97.2 | 12.35 |
| 3rd qtr. | 119.7 | 123.1 | -3.4 | -424 | +1,468 | 96.4 | 12.35 |
| 1985 | 120.8 | 128.5 | -7.7 | -525 | +1,882 | 96.5 | 12.35 |
| 1st qtr. | 120.6 | 128.9 | -8.3 | -522 | +1,882 | 96.5 | 12.35 |
| 2nd qtr. | 120.6 | 128.9 | -8.3 | -522 | +1,882 | 96.5 | 12.35 |
| February | 120.6 | 128.9 | -8.3 | -522 | +1,882 | 96.5 | 12.35 |
| March | 118.8 | 128.8 | -9.0 | -522 | +1,882 | 96.5 | 12.35 |
| April | 121.8 | 130.3 | -8.5 | -522 | +1,882 | 96.5 | 12.35 |
| May | 121.7 | 121.0 | 0.7 | -522 | +1,882 | 96.5 | 12.35 |
| June | 118.4 | 128.9 | -11.5 | -522 | +1,882 | 96.5 | 12.35 |
| July | 118.4 | 128.9 | -11.5 | -522 | +1,882 | 96.5 | 12.35 |
| August | 118.4 | 128.9 | -11.5 | -522 | +1,882 | 96.5 | 12.35 |
| September | | | | | | | |

FINANCIAL—Money supply M0, M1 and sterling M2 bank (1980=100); viable balance; current balance (2m); oil balance (2m); terms of trade (1980=100); export/import ratio.

| | M0 | M1 | M2 | Bank advances | Bank deposits | Bank loans | Bank bills |
|-----------|-----|------|------|---------------|---------------|------------|------------|
| 1984 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 2nd qtr. | 4.6 | 24.5 | 11.1 | 18.9 | 1,795 | 2,876 | 2.25 |
| 3rd qtr. | 5.2 | 24.2 | 6.2 | 18.9 | 1,795 | 2,876 | 2.25 |
| 4th qtr. | 5.6 | 24.4 | 13.4 | 18.9 | 1,795 | 2,876 | 2.25 |
| 1985 | 2.2 | 0.7 | 0.1 | 15.3 | 1,811 | 3,146 | 12.06 |
| 1st qtr. | 5.1 | 32.4 | 20.4 | 19.3 | 1,823 | 3,064 | 12.30 |
| 2nd qtr. | 3.1 | 30.0 | 4.6 | 12.3 | 474 | 1,013 | 14.00 |
| February | 3.1 | 30.0 | 4.6 | 12.3 | 474 | 1,013 | 14.00 |
| March | 5.4 | 22.3 | 18.3 | 15.5 | 977 | 1,601 | 12.63 |
| April | 4.2 | 33.2 | 18.4 | 17.7 | 615 | 1,942 | 12.63 |
| May | 4.7 | 44.4 | 25.1 | 20.3 | 601 | 961 | 12.50 |
| June | 4.4 | 18.1 | 8.3 | 18.8 | 880 | 1,129 | 11.50 |
| July | 2.4 | 22.7 | 14.9 | 22.2 | 824 | 1,116 | 11.50 |
| August | | | | | | | |
| September | | | | | | | |

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1985=100); trade weighted value of sterling (1985=100).

| | Earnings | Basic materials | Fuels | RPI | Foods | FT commodity | Trade weighted |
|-----------|----------|-----------------|-------|-------|-------|--------------|----------------|
| 1984 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 2nd qtr. | 155.9 | 124.2 | 122.0 | 350.9 | 330.1 | 305.06 | 99.8 |
| 3rd qtr. | 159.5 | 124.1 | 122.9 | 352.9 | 326.1 | 285.96 | 79.0 |
| 4th qtr. | 164.1 | 126.1 | 124.3 | 358.3 | 326.4 | 289.84 | 74.1 |
| 1985 | 165.4 | 126.5 | 126.6 | 368.9 | 332.5 | 294.29 | 72.0 |
| 1st qtr. | 170.3 | 128.3 | 129.4 | 373.3 | 339.4 | 272.13 | 79.5 |
| 2nd qtr. | 164.5 | 127.6 | 128.6 | 362.7 | 332.5 | 282.73 | 71.2 |
| February | 164.5 | 127.6 | 128.6 | 362.7 | 332.5 | 282.73 | 71.2 |
| March | 164.5 | 127.6 | 128.6 | 362.7 | 332.5 | 282.73 | 71.2 |
| April | 164.5 | 127.6 | 128.6 | 362.7 | 332.5 | 282.73 | 71.2 |
| May | 164.5 | 127.6 | 128.6 | 362.7 | 332.5 | 282.73 | 71.2 |
| June | 171.9 | 126.7 | 128.6 | 376.6 | 340.1 | 273.08 | 79.9 |
| July | 173.7 | 124.0 | 129.9 | 375.7 | 335.1 | 282.51 | 83.6 |
| August | 173.7 | 124.0 | 129.9 | 375.7 | 335.1 | 282.51 | 83.6 |
| September | | | | | | | |

* Not seasonally adjusted.

This announcement appears as a matter of record only.



SHELL OIL COMPANY SHELL CREDIT, INC.

\$1,000,000,000
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SOCIÉTÉ GÉNÉRALE
 NEW YORK BRANCH

September 30, 1985

FINANCIAL TIMES MANCHESTER AIRPORT SURVEY

OCTOBER 23, 1985

For further details,
 please contact:
 JOHN LEVER
 on 061-834 9381

FINANCIAL TIMES ARUN SURVEY

November 14, 1985

For further details,
 please contact:
 ANDREW WOOD
 on 01-248 5116
 FINANCIAL TIMES
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Nationwide Building Society

Floating Rate Notes Due 1995

| | |
|-----------------|-------------------------------|
| Interest Rate | 11 3/4% per annum |
| Interest Period | 8th October 1985 8th April |

UK COMPANY NEWS

Argyll bid for Distillers set back

BY MARTIN DICKSON

Argyll Group, the supermarkets company headed by Mr Jimmy Gulliver, has failed to persuade the Takeover Panel to allow it to launch a £1.5bn bid for Distillers, the large drinks group, within the next few weeks. It now appears unlikely to do so until at least early December.

Argyll—which is less than half the size of Distillers—appears to be confident that it has built up sufficient institutional financial support to launch a bid for Distillers, which includes Johnnie Walker, Haig whisky and Gordon's Gin among its interests.

But the Takeover Panel is insisting that it cannot launch a bid until early December at the

earliest, unless a rival bidder appears on the scene.

Argyll announced last month that it had been looking at Distillers as a possible target, but it added that it had no intention to bid for the group "at the present time."

The Panel immediately said that it would not be acceptable for Argyll's statement to be followed very shortly after by an announcement of an offer. The company should not make one for a reasonable period, which was agreed to be three to four months, unless there was a significant change of circumstances. The Panel added that Argyll had accepted this position before making its announcement.

Argyll yesterday refused to

comment on the position, but it is believed to have been arguing to the Panel that it should be allowed to bid now, given the upward movement in Distillers' share price and rumours that Seagrams, the large Canadian drinks company, may be preparing to launch a bid of its own.

The Panel said yesterday that it stood by its initial statement. "At the moment we can't see a significant change of circumstances," an official said. However, it is understood that the Panel would regard the launch of a rival bid as a "significant change."

Distillers' shares closed last night at 420p, up 2p on the day, which gives the company a

market capitalisation of £1.3bn. Argyll, shares in which closed unchanged at 320p, is capitalised at around £850m.

Distillers' shares have risen from around 320p since late August, when rumours of a possible Argyll bid began to circulate.

It remained unclear last night precisely what institutional support Argyll had gathered for any bid, or what form an offer might take.

However, both the Royal Bank of Scotland and Clydesdale Bank, which have been rumoured as possible backers, yesterday denied that they had a commitment to any Argyll consortium.

See Lex

Thames TV employees oppose Carlton bid

By Raymond Snoddy

THE MANAGEMENT of Thames Television is coming under pressure from its employees to oppose the bid for the company by Carlton Communications, the video equipment and independent production company.

Carlton bid £80m for Thames to its two main shareholders British Electric Traction (BET) and Thorn EMI—an offer they have said merits consideration.

Thames' staff yesterday were taking up a petition against the Carlton move and arguing instead in favour of a management buyout.

The petition questions the expertise and experience of Carlton for running Thames and asks whether the 2,300 Thames employees would have any part to play in the takeover.

The Independent Broadcasting Authority (IBA) which would have to approve any change of ownership of Thames, said yesterday it had received no formal proposal from the Thames board. IBA officials emphasised there was no precedent for the takeover of a viable TV company in the way proposed by Carlton.

The management of Thames under Mr Richard Dunn, its recently appointed managing director, is believed that the management view is hardening against a Carlton takeover.

With the help of County Bank, senior management is exploring the possibility of a management buyout. Another possibility being looked at is the rapid flotation of up to 40 per cent of Thames' shares.

Several institutions and companies involved in the television industry have expressed interest in buying minority stakes.

Mr Dunn will go to the IBA within the next few days to explain his position. It is believed that the management of Thames would approve a change of ownership of the largest ITV company in mid-franchise in the face of determined opposition from its management and staff.

Higgs and Hill pushes up profits by 19% to £3.9m

Higgs and Hill, which is involved in construction, property development and investment and housebuilding, lifted pre-tax profits by 19.3 per cent to £3.9m in the six months to June 30 1985 compared with £3.25m last time. Turnover grew from £22m to £23m.

The directors say they have every confidence that the full-year will produce another success. In 1984, pre-tax profits were £7.1m, up 18.6 per cent on the £5.96m in 1983.

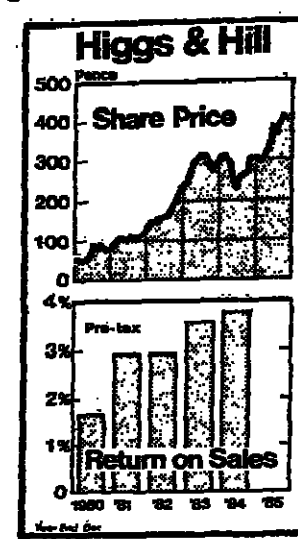
The interim dividend is raised 0.5p to 5p.

In spite of the difficult UK construction market, says Mr Brian Hill, chairman and chief executive, the building company has obtained a satisfactory level of orders this year and there is a sound base for 1985.

In overseas construction, good progress continues to be made in the Caribbean.

Meanwhile, the homes company has maintained the profitability and high standard of its developments and the directors are confident of further expansion. Some of the property developments referred to in the annual report have been satisfactorily completed, says Mr Hill, while new schemes are proceeding well.

In France, many of the reported prospective lettings of developments have materialised, enabling the European property



Earnings a share, before extraordinary items, were up from 18.3p to 20.1p.

• comment

These figures are just the sort of performance the market has come to expect from Higgs and Hill—solid growth in earnings and dividends without good or bad surprises. UK construction profits were more or less unchanged in a difficult market but the spread of housing, property and overseas construction enabled the group to produce a 19 per cent increase pre-tax. For the year 1984 could be achieved, suggesting earnings of 48.5p after a higher tax charge of 40 per cent. After yesterday's 39p rise to 418p the prospective 1/2p comes out at 9 backed by a yield of 4.7 per cent. At that level the shares could not be stood up as an obvious cut and run "buy" but the demonstration of consistent steady growth since 1980 should leave investors favourably inclined to the group as a management has broadened the base by organic growth—there are, in fact, 20 subsidiaries in the group. The 60 new jobs that does not mean Brian Hill, chairman, does not keep an open mind on acquisition. He certainly sports a balance sheet and share price that would allow him to be more adventurous.

Bruntons lifts profits 8% to £0.4m

Bruntons (Musselburgh), manufacturer of steel wire, which suffered from a reduced demand for wire rope during the miners' strike, lifted pre-tax profits by 7.7 per cent to £404,000 in the six months to June 30 1985 against £375,000 last time.

Sales increased from £5.39m to £6.45m but pressure on margins held net profits at £275,000 (£227,000) after tax of £131,000 (£135,000).

Mr Robin Duthie, chairman, says the strengthened management team is striving to achieve the improvement in efficiency necessary to survive in a very competitive market.

"For we are currently having great difficulty in passing on increases in costs to our customers," he says.

Capacity in the wire rope industry has been reduced in recent years but UK demand is forecast to decrease further. Consequently, he says, the company is increasing efforts to improve sales of its other products.

Its other products include piano wire, high duty spring wire, aircraft wire and cables and cold rolled steel strip.

The interim dividend is maintained at 1.5p.

A breakdown of sales shows 19 per cent increase at home from £4.9m to £5.8m with exports up from £482,000 to £608,000.

Trading profits were £382,000 (£495,000). Depreciation cost £158,000 (£155,000) and interest paid was £20,000 against £35,000 received.

Earnings per share were up from 2.96p to 3.41p.

Slaters Food profits up 77%

Slaters Food Products, manufacturer and distributor of fresh and frozen meat, says a stronger customer base and last year's capital investment are the reasons for a 77 per cent rise in pre-tax profits to £445,000 in the six months to September 13 against £251,000 last time. Turnover grew 86.7 per cent from £5.43m to £10.05m.

Demand for frozen food continues to be strong, says Mr D. Cooper, chairman, and in order to satisfy the demand the company will end production and distribution of fresh sausage and cooked meat from next month. This new account for only 10 per cent of turnover and marginal profits.

"By concentrating on frozen foods, we will be able to simplify the business and at the same

time give an improved service to our customers," he says.

The interim dividend is raised 0.3p to 1.2p.

Operating profits were £608,000 (£318,000). Interest payable was £163,000 (£207,000). Tax took £88,000 (£22,000), giving attributable profits of £356,000 (£228,000).

Earnings per 10p share were 6.1p against 3.9p.

• comment

Part of the 50 per cent rise in Slaters' share price over the past few weeks has been in anticipation of a strong set of interim results, and the market has not been disappointed. Following last year's heavy investment programme, higher turnover is feeding through smoothly into profits. The rest of the market's enthusiasm may have been

prompted by the mysterious link-up with Mr Wong, who for four years has been producing complete prepared meals from a factory in South Wales. While transactions between the two entities are to be carried out at arm's length, Mr Wong's company is to bring the sauce where-withal to add to Slaters' frozen meat know-how, and together they are to create what Slaters tantalisingly describes as "new product concepts." The play is in keeping with Slaters' planned shift from low margin frozen "burgers and bangers" into more profitable prepared foods. However some tangible benefits will need to be in evidence before long if the shares are to be sustained at yesterday's price of 148p, where, given profits for the year of £900,000, they are on a prospective p/e of 15.

With the help of County Bank, senior management is exploring the possibility of a management buyout. Another possibility being looked at is the rapid flotation of up to 40 per cent of Thames' shares.

Several institutions and companies involved in the television industry have expressed interest in buying minority stakes.

Mr Dunn will go to the IBA within the next few days to explain his position. It is believed that the management of Thames would approve a change of ownership of the largest ITV company in mid-franchise in the face of determined opposition from its management and staff.

Equity & General on target

IN LINE with plans for the first six months of 1985, taxable profits of Equity & General, financial services and motor dealerships concern—formerly Emray—moved ahead from £443,000 to £478,000 despite a fall in turnover from £11.74m to £11.04m.

Mr Lionel Akman, chairman, says the half year "reflects our continued progress and was in line with our plans for the first six months."

He adds that the group's decision not to chase turnover in the "intensely competitive sectors" in which the main divisions operate, but to concentrate wherever possible, on greater selectivity, resulted in increased margins.

Mr Akman says that the

group's main trading divisions continue to perform well and its remains confident of a satisfactory return to the full year.

Last year's pre-tax total was £802,000 from turnover of £21.74m.

After tax of £167,000 (£153,000) earnings came through at £311,000 compared with £288,000 or 2.05p (1.9p) per share. The interim dividend is unchanged at 0.3p—last year's final was 0.6p.

The financial services division has continued to expand its operations and has increased its operational leasing business. Meanwhile, the motor distribution division (General Motors products) has improved performance all round over the same period last year, the chairman states.

Mr Akman, commenting on

the announcement by the Secretary of State of the DTI inquiry into certain shareholdings which started over a year ago, says: "We earnestly hope it will soon result in a report which should remove any uncertainties and enable us to consider expansion by ways of acquisitions utilising shares as consideration."

Metal Closures

The board of Metal Closures Group has noted the rise in the company's share price over several days. Although it has received approaches from time to time, no discussions advanced to a stage which would lead the board to believe that an offer was likely to be forthcoming.

Morgan disposal to raise £8m

Morgan Crucible, which increased pre-tax profits by 19 per cent to £8.7m in the six months to July 1, has disposed of its minority shareholding in Le Carbone-Lescaze, a French carbon company, the major shareholder of which is Fechtley. The sale is expected to produce £8m cash compared with a book value of £3.3m.

The shares are being placed with a group of financial investors under an offer for sale organised by Banque Paribas.

Sanderson Murray lifts profits 33%

Higher investment income and interest received has helped lift pre-tax profits at Sanderson Murray & Elder (Holdings) by 33 per cent to £142,250 in the year to end-June 1985, against a previous £107,215. At the half-year stage profits of £53,000 were achieved.

The directors of this Bradford-based woodworker say that currency movements continue to bear heavily on changes in wool prices but overall trading conditions sustained the modest progress hoped for during the year.

Turnover for 1984-85 rose from £5.58m to £5.67m, and currently the order book is higher than at the same time a year ago, they say.

The single final dividend is lifted up to 4p. Statutory net earnings per 50p share are up from 4.3p to 5.7p.

The pre-tax result was struck after slightly higher depreciation of £74,231 against £70,692, and bank charges little changed at £10,294 (£10,534).

Also included was investment income up by £5,253 to £53,982, and bank interest received of £19,060 against £8,429 previously.

Tax was higher at £32,956 (£24,801), leaving net profits at £109,965 (£82,414). Minorities took a same again £97,000.

There was an extraordinary credit of £127,134, representing a surplus of £32,384 on the sale of a further three acres of land and two cottages at Newton Abbott net for the provision for taxation. Also included is £44,750 arising on the increase in value of base stock to give effect to changes in price levels which are regarded as permanent. Credits last time added £88,140.

Johnston climbs by 21% to near £2m at midway

Johnston Group increased first-half profits by 21 per cent from £1.56m to £1.92m pre-tax, says the full-year result should show a better reflection of underlying strength.

Mr W. G. S. Johnston, chairman, says that during the six months to end-June 1985, the increase in sales by the engineering and civil engineering divisions was more than offset by a reduction in the civil engineering turnover, reflecting work carried out on the Club Med contract in the Turks and Caicos Islands in 1984.

In engineering, the group benefited from an increase in orders for road suction cleaners and consequently production targets have been increased.

First orders have been received for the Johnston refuse collector although the full impact of the product will not be felt until next year. The hydraulic offshoot has returned to satisfactory profitability.

Roadswork contributed well to group profits in spite of a storm start to the year caused by poor weather. The UK construction company is progressing towards completion of the big problem contract which adversely affected

1984 results.

No profits from property development have accrued or are likely to accrue during 1985 but construction work has now started on the City office block. Johnston has a minority interest.

First-half turnover was lower at £26.22m against £28.31m. Earnings per share rose from 20p to 22p. Taxable profits in 1984 were £4.46m and the final dividend 5p.

YEARELY BONDS totalling £9.25m at 11 per cent redeemable on October 18 1986, have been issued by the following local authorities. Carlisle (City of) £0.5m; St Helens Metropolitan Borough Council £0.5m; Tewkesbury Borough Council £1m; Allerdale District Council £0.25m; Beverley Borough Council £0.5m; Billingham (London Borough of) £1m; Dudley Metropolitan Borough Council £0.5m; Bolton Metropolitan Borough Council £0.5m; Forest Heath District Council £1m; Northampton Borough Council £0.5m; Oswestry Borough Council £0.5m; and Sheffield (City of) £2m.

This purchase having been completed, this announcement appears as a matter of record only.



Mallinson-Denny Group Limited

purchase of the shares of

Mallinson-Denny Limited

from

Brooke Bond Group PLC

a subsidiary of

Unilever PLC

Equity provided by:
CIN Industrial Investments Limited
Schroder Ventures
(as lead investors)

Bankers Trust International Limited
Baronsmead Venture Capital plc
British Railways Pension Funds
Castle Finance Limited
Citicorp Venture Capital
Colguy Holdings Limited
Commonwealth Development Finance
Company Limited
Equity Capital for Industry

First National Boston Limited
Friends' Provident Life Office
Investors in Industry plc
Legal and General Assurance
Society Limited
Clients of Rothschild Ventures Limited
Sun Life Assurance Society plc
The Smaller Companies
International Trust plc

Debt provided by:
Bankers Trust Company
Bank of Scotland
Canadian Imperial Bank Group
Clydesdale Bank PLC

Ulster Investment Bank Limited
Midland Bank plc
National Westminster Bank PLC
The Royal Bank of Scotland plc

The undersigned acted as financial adviser to Mallinson-Denny Group Limited and arranged (with Laurence, Prust & Co. as co-lead manager) both the debt and the equity financings.



Bankers Trust
Company

August, 1985

DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corresponding div. | Total of last year |
|--------------------|-----------------|-----------------|--------------------|--------------------|
| Bruntons | 1.5 | Oct 31 | 1.5 | 3 |
| Equity & General | 0.3 | Jan 3 | 0.3 | 0.9 |
| Higgs and Hill | 5 | Nov 29 | 4.5 | 12.3 |
| Holt Lloyd | 1.65 | March 3 | 1.65 | 3.75 |
| Johnston Group | 2.25 | Jan 6 | 2 | 7 |
| Sanderson M. Elder | 4 | Nov 19 | 3 | 4 |
| Wm Sinclair | 3.6 | Dec 5 | 3 | 5.25 |
| Slaters Food | 1.2 | Jan 10 | 0.9 | 2.2 |

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

\$1,000,000

Republic of Portugal



Floating Rate Notes Due 1992

In accordance with the provisions of the Notes, notice is hereby given that for the six month interest period from 9th October, 1985, to 9th April, 1986, the Notes will carry an Interest Rate of 8 1/4 per annum and the Coupon Amount per U.S.\$10,000 will be U.S.\$436.04.

Merrill Lynch International Bank Limited
Agent Bank

Stratstone
Mayfair: 01-629 4404

Gold Fields

Notice of Annual General Meeting

The Annual General Meeting of Consolidated Gold Fields PLC will be held at the Hotel Inter-Continental, Grand Ballroom Entrance, One Hamilton Place, London W1, on Thursday, 7 November 1985 at 11.30 am, for the transaction of the following business:

- To receive and consider the audited accounts for the year ended 31 June 1985, together with the report of the Directors, and to declare a final dividend.
- To elect and re-elect Directors.
- To consider and, if thought fit, to pass the following Resolution which will be proposed as an Ordinary Resolution:

That the Board is generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to a maximum nominal amount of £6,485,410, such authority to expire five years after the date of passing this Resolution, provided that:

- The Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may exercise relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired; and
- The authority hereby conferred on the Board varies and renews the authority contained in Article 7(1) of the Articles of Association of the Company.

4. To consider and, if thought fit, to pass the following Resolution which will be proposed as a Special Resolution:

That the Directors be and they are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities wholly for cash pursuant to the authority contained in Article 7(1) of the Articles of Association of the Company as varied and renewed as if Section 89(1) of that Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- in connection with an offer of such securities by way of rights to holders of Ordinary shares on either of the Company's registers on a fixed record date in proportion to their then holdings of such shares, but subject to such exclusions or other arrangements as the Directors may in their absolute discretion determine in relation to fractional entitlements, Ordinary shares variable to bearer, legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or stock exchange; and
 - (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal amount equal to £2,750,000;
- and shall expire on the conclusion of the next Annual General Meeting of the Company after the date on which this Resolution is passed, save that the Company may make any offer or agreement before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired, and in this Resolution the expression "equity securities" and references to the allotment of equity securities shall bear the same respective meanings as in Section 94 of the Companies Act 1985.

- To re-appoint the Auditors and to authorise the Directors to fix the Auditors' remuneration.
- By order of the Board
Mr GMA Gledhill
Secretary
9 October 1985

Notes:
Only members holding fully paid Ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the Meeting. A member so entitled may appoint a proxy, who need not be a member, to attend and vote on his behalf.

Holders of share warrants to bearer who wish to be present or represented at the Meeting may obtain the necessary information regarding the formalities to be complied with from the registered office of the Company.

The registers of Directors' interests, together with copies of contracts of service between the Directors and the Company or any of its subsidiaries (or a memorandum of the terms thereof), other than contracts expiring or determinable within one year without payment of compensation, will be available for inspection at the registered office of the Company during normal business hours until the date of the Annual General Meeting and on that day at the place of the Meeting from 11.15 am until its conclusion.

Consolidated Gold Fields PLC
31 Charles II Street, St. James's Square, London SW1Y 4AG.

UK COMPANY NEWS

Frank Kane examines the bid for Abbey French Kier's move rekindles family feud

MR ALAN FRETTESSOME, chief executive of French Kier Holdings, sounded quite exasperated on hearing that his company's £20m offer for Abbey, the family-controlled Dublin-based house-builder, had been flatly rejected by the Irish company's board.

"We do not want to get involved in family disputes. They really are history, and we saw this as a means of ending them to an end," he says. But whatever its intentions, Kier has become involved in a family feud that has spluttered intermittently since Abbey's public listing in 1973, and which threatens to ruin Kier's ambitious plans to join the big league in British housebuilding.

The dispute within Abbey centres on the Gallagher family, which founded the company and which controls two-thirds of the shares listed both on the London Stock Exchange and in Dublin.

The 34.6 per cent stake already pledged to Kier is controlled by the company's president Mr Patrick Gallagher and his two sons James and Seamus. On the other side is Abbey's chairman Patrick Gallagher and his two Mr Charles Gallagher, who around 30 per cent, who is implacably opposed to the bid, or even discussing it with Kier.

"There is nothing to talk about," he says. "We do not want to sell at all and we will fight, fight and fight again to stay independent."

The tussle for control of the company goes back to the public listing of the early and mid 70s and which ended in Charles' departure for England. The rows—described by the current chairman as "a bit of a difference"—revolved around strategic matters.

Charles wanted to concentrate the group's activities on the UK housing market, while his late brother James felt the traditional Irish market was the natural outlet.

In the event, Charles seems to have been proved right. Not only did he build a separate thriving business in the east of England via his two private companies, Matthew Homes and Charles Wilson Engineers, but the main attraction now for Kier



Mr Charles Gallagher, the chairman

is Abbey's housebuilding activities in the English home counties.

While Charles was in self-imposed exile in England, the company was run by James, a member of the Irish parliament, with an increasing Irish slant. But these were hit by the slump in construction activities in the early 80s.

Charles meanwhile, had been building up a large shareholding in the company, and the wheel turned a full circle in March 1983 with the death of James. The chairmanship went to brother Patrick for brief period, but by the annual meeting in September Charles had amassed enough voting strength to displace him. This was achieved through the crucial 26 per cent stake then held by James Gallagher's family.

There was speculation at the time that the brothers had come under increasing pressure from Irish institutional holders to patch up their differences.

In the end, these—headed by the Allied Irish Bank and its nominees which had taken part in the original public listing—came out in favour of Charles, taking up the reins, and the uneasy alliance has lasted since then.

This week's offer from French Kier has upset the delicate balance of power. It is understood that Kier approached the Patrick Gallagher faction last summer, eager in particular to acquire the company's English interests. These had grown since 1983 to the point where last year they accounted for more than two-thirds of the group's turnover of £156.5m.

The Patrick Gallagher faction has stayed fairly quiet about its motives in deciding to accept the Kier offer. Certainly their intentions were unknown to Charles, who said at last week's annual meeting that he knew of no approach for the company and was unable to explain the surprising activity in its shares. In days they had gained 20p to around 90p, near an all-time high since the flotation in 1973.

Charles, born in the western County Sligo 56 years ago, is rather bitter about the secretive nature of the approach. "If they had wanted to dispose of their holding I'd have facilitated them. I would have seen to it that they would have got the best price available and would have gone further than any outsider."

Certainly the Patrick Gallagher faction has pledged its stake at a rather knock-down price in relation to the current market price—the shares were trading at 99p sterling last night in London, against the implied 83p by the French Kier offer. They would say in their justification, no doubt, that the bid, which has put a premium on the possibility of a higher offer, and Kier, advised by Morgan Grenfell, has not ruled this out.

The formal offer document will be posted next week, but with around 96 per cent of the equity already committed, it looks as though the outcome will depend on the attitude of the institutions and small shareholders. The Allied Irish Bank could well prove crucial.

Charles Gallagher insists to the end that there is nothing personal in the affair, that it is all a business matter. He is on good terms with his family and that they are "very pleasant with each other." But that relationship may come under increasing strain in the next few weeks.

Holt Lloyd growth checked at midterm

SIGNIFICANT investment costs in the UK and Canada have checked profits growth at Holt Lloyd International, the manufacturer of car care and specialty chemical products group, for the six months ended September 14 1985. At the pre-tax level the figure was £2.1m, compared with £2.8m.

After taking into account last year's acquisitions and allowing for currency changes, the first half produced an underlying sales growth of some 12 per cent—the amount for the six months was £41.28m (£35.2m).

This was split between the UK with £14.77m (£12.19m) and overseas and export £27.01m (£22.98m).

Mr Tom Heywood, chairman, says that for the first time in several years, UK car care sales showed an appreciable increase resulting in a much higher market share for the group's important range of aerosol spray paints. He adds that the initial promotional costs of widening distribution, however, absorbed the immediate benefits of this additional business.

In Canada, despite continued sales growth, there was a decline in profits for the period. Mr Heywood says that this followed the group's commitment to a "stronger management structure and additional personnel to support the future growth of the business."

Earnings per share are given as 3.85p (3.38p) while the interim dividend is unchanged at 1.85p net—last year's final payment was 2.12p.

Profits at the interim stage

were after higher interest charges of £600,000 (£460,000) which reflect both the cost of supporting the higher level of group sales and the financing of the group's new factory in Australia, where interest rates are exceptionally high at present, the chairman points out.

● **comment**

Holt Lloyd's image is changing in two ways. First, it now places itself firmly in the chemicals sector—as a specialty chemicals company. Some time ago it had its place in the FT share service list moved from motor components to general industrial.

In August it took the next step and shifted to the chemicals list. The second change is proving more difficult—the transition from recovery stock status, in which the yield was vital to winning support for the share price. Last year, following a £4m rights issue to fund acquisitions, it paid out 3.76p a share. This was a little generous. It was 0.25p above the promised level and earnings cover was less than twice the payout. Holding the interim this time does not mean that the final will also be static but it could indicate a desire to test the market's view of the extent of Holt's recovery. Forecasts for the year are highly exchange rate dependent. On 58p the shares at 76p, down 4p, because of the dividend myopia, are trading a bit on the modest side on a prospective multiple of 10 given a 43 per cent tax charge.

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At Gold Fields recovery heralds future growth

From the Statement by Rudolph Agnew, Chairman

● Profit before interest and tax at £162 million was an improvement of 15 per cent.

● We are fortunate that the principal gold mines in the Group are amongst the lowest cost producers in the world.

● We expect viable projects to result from gold exploration.

● The other major element of our business, construction materials, is efficient, competitive and profitable.

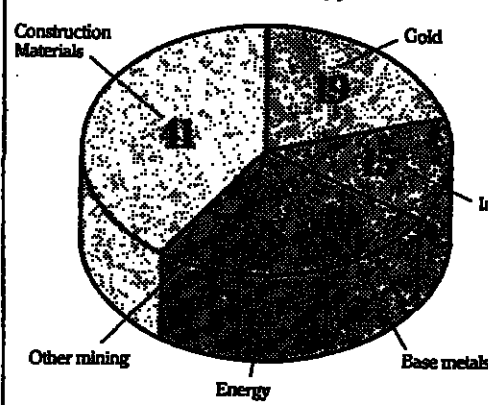
● Pessimists see a future of unrelieved recession for the mining industry. I do not agree. Attractive opportunities with near term profit potential are going to be rare, but are not absent.

● We are dedicated to growth: growth of assets, growth of cash flow and growth of income to shareholders.

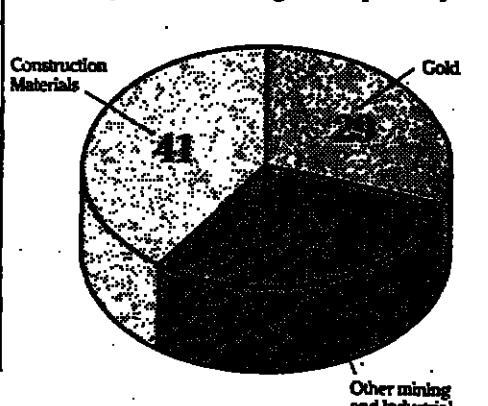
● Our confidence in the prosperity of Consolidated Gold Fields is unshaken and well founded.

Beneficial Interest in Group Products

expressed as a percentage
Value of sales £1.7 billion
(Group companies, their subsidiaries and associates)



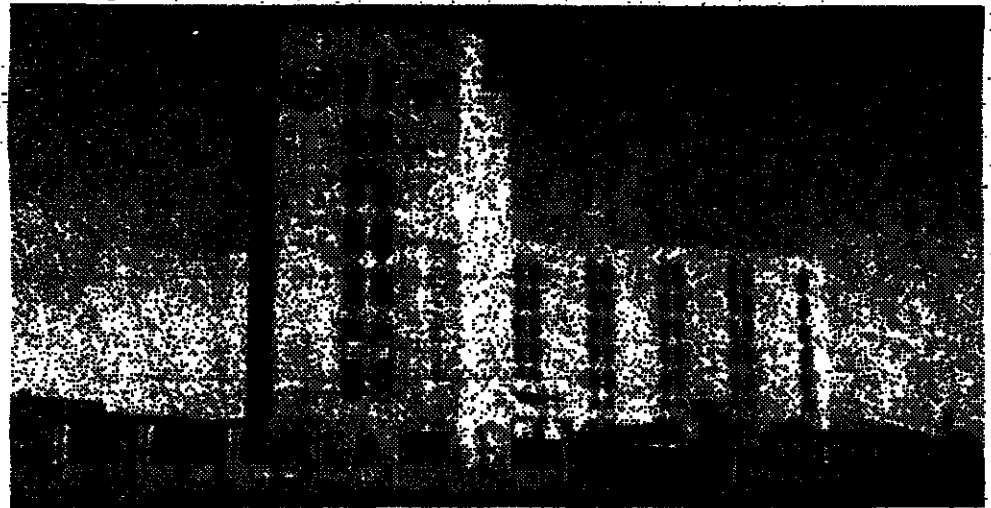
Profit Contribution £185 million
(before central charges and exploration)



Key Results from the Accounts

| | 1985 | 1984 | 96 |
|---|-------|-------|------|
| £ Million | | | |
| Beneficial interest in Group sales | 1,457 | 1,337 | 9 |
| Profit before interest and tax | 162 | 141 | 15 |
| Profit before tax | 115 | 105 | 9 |
| Profit attributable to shareholders | 77 | 72 | 8 |
| Pence per share | | | |
| Earnings | 40.7 | 38.2 | 7 |
| Dividends | 24.5 | 24.5 | - |
| Net assets (listed investments at market) | 673 | 784 | (14) |
| Per cent | | | |
| Return on funds employed (historic) | 15.1 | 14.1 | 7 |

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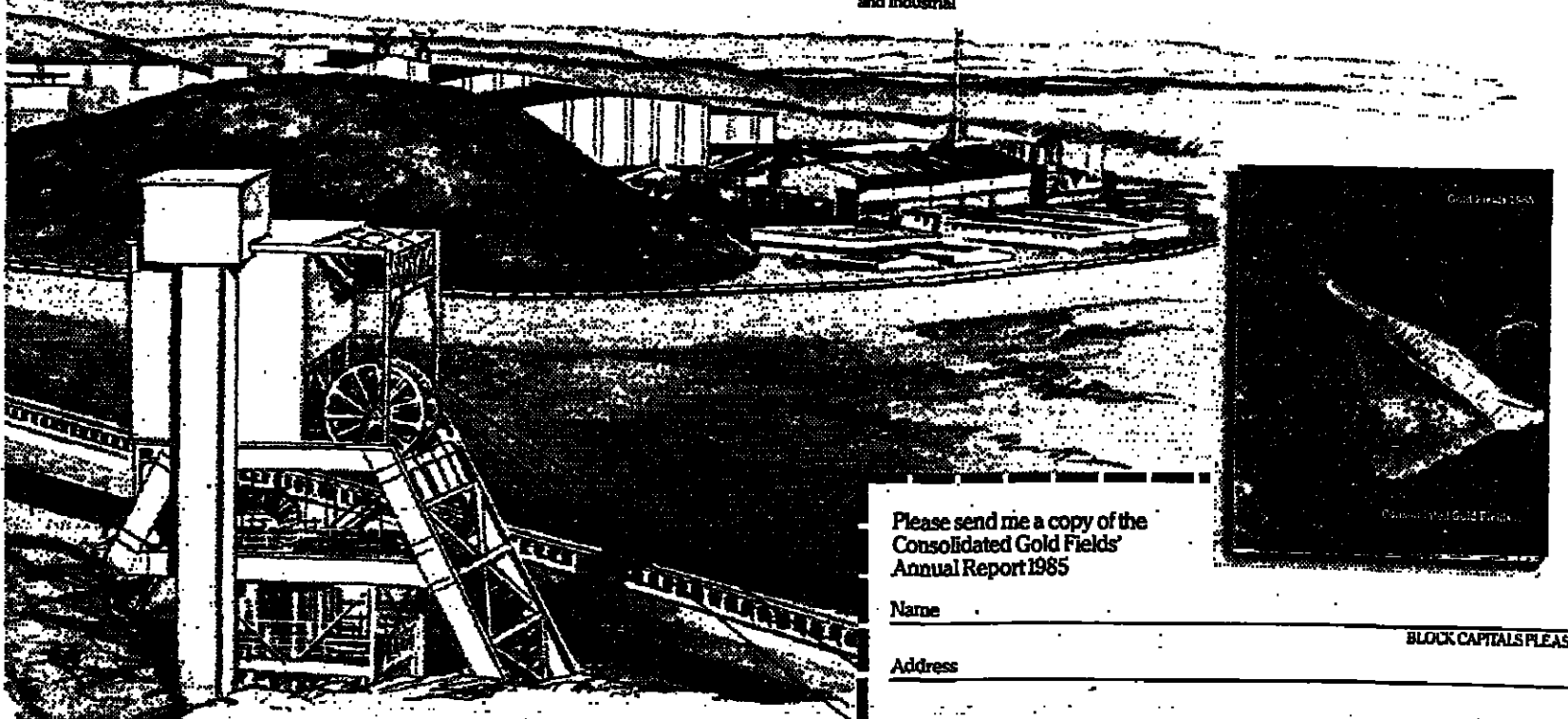
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DOHA, QATAR: DOHA SHERATON HOTEL
DUBAI, U.A.E.: DUBAI SHERATON HOTEL
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RIYADH, SAUDI ARABIA: RIYADH SHERATON
© 1985 The Sheraton Corporation

London Merchant Securities LMS plc

| Highlights of the year | 1985 | 1984 |
|--|---------|---------|
| | £000 | £000 |
| Profit before tax | 16,493 | 13,138 |
| Profit attributable to shareholders (after extraordinary charge in 1984) | 9,337 | 7,469 |
| Shareholders' funds | 173,538 | 160,417 |
| Earnings per Ordinary share | 5.84p | 5.38p |
| Dividends per Ordinary share | 2.20p | 1.85p |

Record results and asset values achieved. On the basis of current trading prospects, growth in profits and distribution is confidently expected to continue.

Report and Accounts available from the Secretary,
Carlton House, 33 Robert Adam Street, London W1M 5AH.



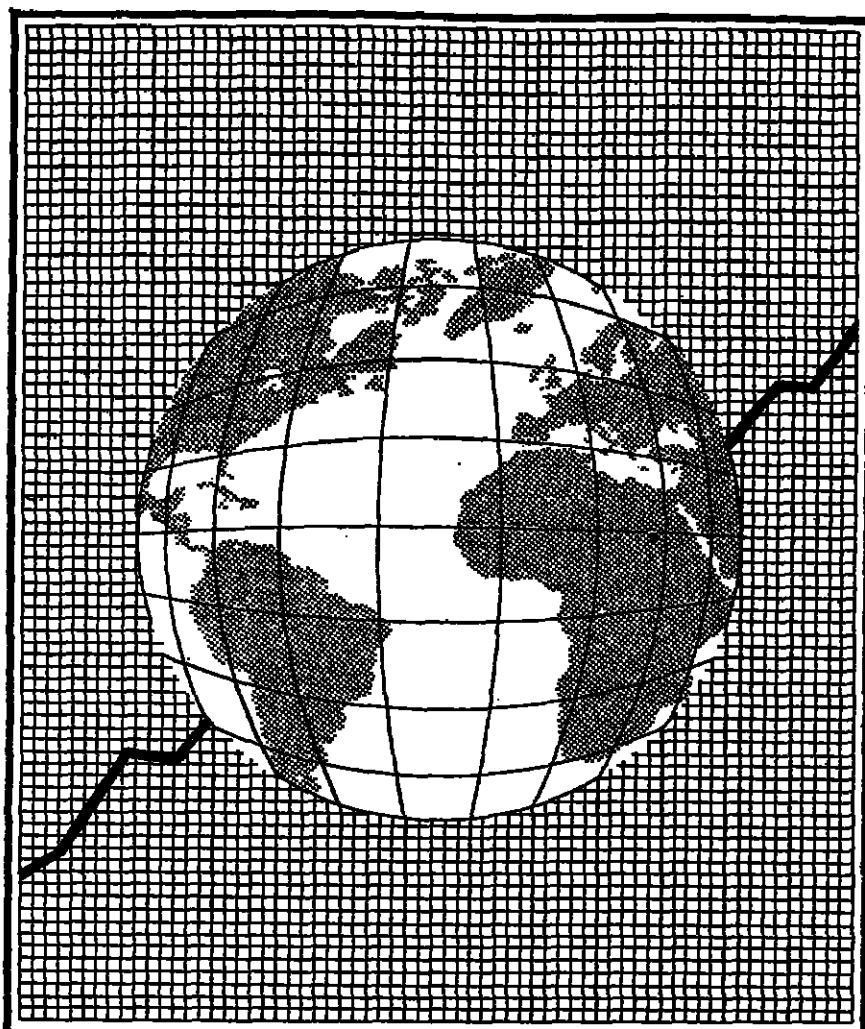
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Please send me a copy of the Consolidated Gold Fields' Annual Report 1985

Name _____
Address _____

To: The Registrar, Consolidated Gold Fields PLC, Lloyd's Bank PLC, Registrar's Department, Goring-by-Sea, Worthing, West Sussex BN12 6DA

A world of achievement



1984
First Half Profit
£12.9m

1985
First Half Profit
£18.4m

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Last week we announced an outstanding achievement of brokerage income growth during the first half of 1985.

| | |
|-----------------------------------|----------------|
| Turnover up 24 per cent | \$49.2 Million |
| Brokerage income up 64 per cent | \$17.8 Million |
| Pre-tax profit up 43 per cent | \$18.4 Million |
| Earnings per share up 53 per cent | 12.56p |

Our overall profit performance during the first half of this year was greater than that achieved during the whole of 1982.

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THE OPTIONS EXCHANGE

UK COMPANY NEWS

Anthony Moreton on Trevor Barker's textile manoeuvres

Hoping to make a pile from Carpets

FOUR YEARS ago, when he bought John Crowther, the woolen fabrics producer, Mr Trevor Barker did not know a warp from a weft.

If his knowledge of the textile processes was scant, his timing was good. The Huddersfield-based company had been extensively reorganised and he took over the mill just as the textile industry began to emerge from severe recession.

Fortune, he believes, is about to smile on him for the second time. This week he and his colleague Mr Michael Abrahams, of Weavercraft, another carpet company, have completed the purchase of Carpets International (UK) just at the moment when the British market for woven carpets appears to have picked up.

According to Mr Bob Read, head of carpets at the International Wool Secretariat, there is a degree of innovation in design and styling in British carpet manufacture that has not been seen for years. Imports are being stemmed and the industry is moving up market.

It could not be a better time to get into carpets, Mr Barker admits that he knows as much about carpets now as he did about cloth four years ago.

"But my forte is that I am good at re-vamping things. I am not a good manager. I get bored running things. Once I have completed the restructuring, companies are much better run by professional managers than me."

If Mr Barker knows little about carpets, he is sufficiently astute to link forces with a long-time carpet man in Mr Abrahams. The two have merged their companies into a joint concern which, with Carpets (UK), will create not just one of the country's largest carpet concerns — turnover of \$90m — but also one of its biggest textile companies.

The enlarged John Crowther group will have a turnover of \$95m and 4,000 employees, which probably establishes it in the top ten textiles and clothing companies in the UK.

Five years ago Mr Barker, now 50, was a north country accountant. His great interest was in the mechanics of company organisation and as early as the 1960s took on a lot of re-organisational work when this arm of the business was looked down upon by his professional colleagues.

Receivership — from a practice in Wensleydale close to that of James Herriot, who was to find fame with his books on life as a country vet — led him to a controlling stake in a transport business, his first serious direct involvement with industry, sub-



Mr Trevor Barker, chairman of John Crowther... "I am not a good manager. My forte is that I am good at re-vamping things."

sequently sold to Ellerman, the shipping concern.

Then, in 1980, he was approached by a consultant to take over the share in Crowther held by Mr Joe Eymann, the well-known 1980s figure in the textile industry. It was at that moment that Mr Barker began to understand the difference between warp and weft.

He was helped by Mr Abrahams. "I have known Michael for 25 to 30 years. As a young accountant in Leeds, I had handled some of his family's affairs."

"We had had some dealings over the years and a year ago I told him Crowther was now right to be converted into a much larger company. He had been talking with Carpets International about the possibility of putting his company Weavercraft and Carpets (UK) together and I joined forces with him."

The Carpets (UK) board turned our approach down and we had to go over their heads to the American company, Interface, which had bought a 41 per cent stake in the company three years ago and had an option on another 10 per cent.

"Interface was very positive. It wanted to turn its British assets into cash. It could see that Carpets (UK) would not go any further on its own and needed strong local management."

Carpets (UK) has been called the slumbering giant of the British carpet scene. Although it dominates the market for woven carpets — and has in

Cresley, Kossel and Gilt Edge some of the best known brand names in the business — it has been unable to translate this strength into profits.

Waged down by injudicious investment decisions and heavy debt it has been forced to restructure heavily. But while a large number of workers have gone it is still too heavy at management level.

Mr Barker and Mr Abrahams recognise this. "We have some superb technical skills there but they need to be supplemented by aggressive management," Mr Barker says.

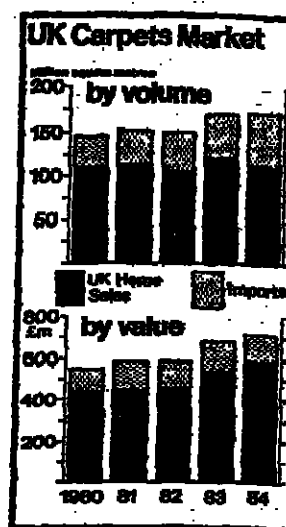
"We must beef up the whole management team."

As a start Mr Barker is looking for a new finance director for the Crowther board. "The sort of man who has either run or been number two on finance in a big company. We are on the way to becoming a big company and we want the sort of people with us who have known and can operate at big-company level."

To prepare for the future Crowther has been reorganised into three divisions: cloth, clothing and carpets.

Cloth, the basis of the original Crowther company, is being produced to capacity. Clothing, which is the result of takeovers in the last four years, needs more attention but still has good high-volume outlets with most of the major chain store groups.

Although the Carpets (UK) deal has occupied most of his management time this year both



Mr Barker and Mr Abrahams are looking for other acquisitions. "Parts of the carpet industry are in a bad way and within the next year or two they will be closures. These are inevitable. If the right one comes along we shall be interested."

What Crowther would like is a tailored manufacturer. The company is heavily concentrated on woven carpets and although it does good business with the retail chains, such as Harris Queensway, the Belgians have captured, in Mr Barker's view, an unacceptably high proportion of the market for tufted.

He is also looking for more production facilities to ease the pressure on his cloth division.

"In both cloth and clothing we understand bulk, volume business."

"We are not into fashion. I don't understand it. We want long runs of good quality clothes from a small number of customers."

"We make 15,000 pairs of men's slacks a week and they go to just 10 customers. We have about 10 buyers for our next year or two there will be wear, too, names like Laura Ashley, Next, British Home Stores, C & A, Marks and Spencer, and Littlewoods."

Mr Barker has his eyes on a turnover of \$200m, with most of the increase coming from acquisitions. Five years ago that would have seemed ludicrous. But he has already shown it is possible, with a little luck and a lot of good management, to make money from textiles.

Public Works Loan Board rates

| Years | by EIP | A [†] maturity | Non-quota loans A [†] maturity |
|-------------------|--------|-------------------------|---|
| Over 1, up to 2 | 101 | 104 | 111 |
| Over 2, up to 3 | 101 | 104 | 111 |
| Over 3, up to 4 | 101 | 104 | 111 |
| Over 4, up to 5 | 101 | 104 | 111 |
| Over 5, up to 6 | 101 | 104 | 111 |
| Over 6, up to 7 | 101 | 104 | 111 |
| Over 7, up to 8 | 101 | 104 | 111 |
| Over 8, up to 9 | 101 | 104 | 111 |
| Over 9, up to 10 | 101 | 104 | 111 |
| Over 10, up to 15 | 101 | 104 | 111 |
| Over 15, up to 25 | 101 | 104 | 111 |
| Over 25 | 101 | 104 | 111 |

† Non-quota loans A[†] are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

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Over-the-Counter Market

| High | Low | Company | Price | Change | Gross Yield | Fully |
|------|-----|------------------------|-------|--------|-------------|-------|
| 146 | 123 | Ass. Brit. Ind. Ord. | 131 | — | 6.8 | 6.0 |
| 151 | 135 | Ass. Brit. Ind. CULS | 137 | — | 10.0 | 7.3 |
| 7 | 43 | Aluminium Group | 56 | — | 10.0 | 8.2 |
| 46 | 26 | Amalgamated and Rhodes | 46 | — | 4.3 | 5.7 |
| 156 | 108 | Bancor Ltd | 108 | — | 10.0 | 7.0 |
| 64 | 46 | Bay Technology | 61 | — | 9.9 | 6.4 |
| 201 | 155 | CCI Ordinary | 155 | — | 12.0 | 7.3 |
| 162 | 104 | City of London | 104 | — | 15.7 | 7.8 |
| 130 | 101 | Carborundum | 127 | — | 4.9 | 6.3 |
| 82 | 82 | Carborundum 7.5pc PI | 82 | — | 10.7 | 11.6 |
| 73 | 48 | Daborn Services | 51 | — | 7.0 | 6.0 |
| 630 | 162 | Frank Hovell | 630 | — | 11.4 | 10.2 |
| 154 | 170 | Frank Hovell P.O.D. 57 | 170 | — | 11.4 | 10.2 |
| 32 | 21 | Frederick Perrier | 21 | — | 11.9 | 12.1 |
| 83 | 33 | George Biele | 79 | — | 3.2 | 6.8 |
| 83 | 23 | Ind. Prediction Group | 23 | — | 10.0 | 8.4 |
| 218 | 177 | Ile Group | 180 | — | 15.0 | 7.9 |
| 124 | 101 | Jackman Group | 108 | — | 5.5 | 5.1 |
| 285 | 213 | James Burrough | 213 | — | 12.8 | 13.5 |
| 84 | 83 | James Burrough SpcPI | 83 | — | 12.8 | 13.5 |
| 85 | 71 | John Howard and Co. | 71 | — | 5.0 | 5.7 |
| 225 | 100 | Lingaphone Ord. | 100 | — | 8.9 | 1.2 |
| 100 | 80 | Lingaphone 10.5pc PI | 80 | — | 15.0 | 16.7 |
| 682 | 600 | Lingaphone Holdings NV | 600 | — | 15.0 | 16.7 |
| 120 | 31 | Robert Jenkins | 31 | — | 10.4 | 22.8 |
| 60 | 28 | Scruttons | 28 | — | 5.0 | 7.4 |
| 82 | 61 | Torrey and Carline | 61 | — | 4.3 | 13.2 |
| 444 | 320 | Twiss Holdings | 320 | — | 4.3 | 13.2 |
| 34 | 17 | Unitel Holdings | 17 | — | 6.5 | 8.7 |
| 112 | 81 | Walter Alexander | 110 | — | 8.5 | 7.2 |
| 247 | 198 | W. S. Yates | 200 | — | 17.4 | 8.7 |

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NOTICE OF REDEMPTION

To the Holders of

QUEENSLAND COAL FINANCE LIMITED

("The Company")

Guaranteed Floating Rate Notes Due May 1996 ("The Notes")

NOTICE IS HEREBY GIVEN, that, as permitted by Condition 6(b) of the Notes, the following Notes of the Company indicated below in the schedule are to be redeemed on November 12, 1985 (the "Redemption Date") at a Redemption Price (the "Redemption Price") of 100% of the principal amount thereof.

SERIAL NUMBERS OF NOTES CALLED FOR REDEMPTION

| | | | | | | | | | | | | |
|-----|-----|-----|-----|------|------|------|------|------|------|------|------|--------|
| 172 | 320 | 581 | 828 | 1088 | 1428 | 1881 | 1957 | 2481 | 2672 | 2734 | 2817 | 3313 |
| 22 | 304 | 592 | 839 | 1099 | 1439 | 1892 | 1968 | 2492 | 2683 | 2745 | 2828 | 3324 |
| 27 | 317 | 603 | 840 | 1100 | 1440 | 1893 | 1969 | 2493 | 2684 | 2746 | 2829 | 3325 |
| 32 | 322 | 604 | 841 | 1101 | 1441 | 1894 | 1970 | 2494 | 2685 | 2747 | 2830 | 3326 |
| 37 | 327 | 605 | 842 | 1102 | 1442 | 1895 | 1971 | 2495 | 2686 | 2748 | 2831 | 3327 |
| 42 | 332 | 606 | 843 | 1103 | 1443 | 1896 | 1972 | 2496 | 2687 | 2749 | 2832 | 3328 |
| 47 | 337 | 607 | 844 | 1104 | 1444 | 1897 | 1973 | 2497 | 2688 | 2750 | 2833 | 3329 |
| 52 | 342 | 608 | 845 | 1105 | 1445 | 1898 | 1974 | 2498 | 2689 | 2751 | 2834 | 3330 |
| 57 | 347 | 609 | 846 | 1106 | 1446 | 1899 | 1975 | 2499 | 2690 | 2752 | 2835 | 3331 |
| 62 | 352 | 610 | 847 | 1107 | 1447 | 1900 | 1976 | 2500 | 2691 | 2753 | 2836 | 3332 |
| 67 | 357 | 611 | 848 | 1108 | 1448 | 1901 | 1977 | 2501 | 2692 | 2754 | 2837 | 3333 |
| 72 | 362 | 612 | 849 | 1109 | 1449 | 1902 | 1978 | 2502 | 2693 | 2755 | 2838 | 3334 |
| 77 | 367 | 613 | 850 | 1110 | 1450 | 1903 | 1979 | 2503 | 2694 | 2756 | 2839 | 3335 |
| 82 | 372 | 614 | 851 | 1111 | 1451 | 1904 | 1980 | 2504 | 2695 | 2757 | 2840 | 3336 |
| 87 | 377 | 615 | 852 | 1112 | 1452 | 1905 | 1981 | 2505 | 2696 | 2758 | 2841 | 3337 |
| 92 | 382 | 616 | 853 | 1113 | 1453 | 1906 | 1982 | 2506 | 2697 | 2759 | 2842 | 3338 |
| 97 | 387 | 617 | 854 | 1114 | 1454 | 1907 | 1983 | 2507 | 2698 | 2760 | 2843 | 3339 |
| 102 | 392 | 618 | 855 | 1115 | 1455 | 1908 | 1984 | 2508 | 2699 | 2761 | 2844 | 3340 |
| 107 | 397 | 619 | 856 | 1116 | 1456 | 1909 | 1985 | 2509 | 2700 | 2762 | 2845 | 3341 |
| 112 | 402 | 620 | 857 | 1117 | 1457 | 1910 | 1986 | 2510 | 2701 | 2763 | 2846 | 3342 |
| 117 | 407 | 621 | 858 | 1118 | 1458 | 1911 | 1987 | 2511 | 2702 | 2764 | 2847 | 3343 |
| 122 | 412 | 622 | 859 | 1119 | 1459 | 1912 | 1988 | 2512 | 2703 | 2765 | 2848 | 3344 |
| 127 | 417 | 623 | 860 | 1120 | 1460 | 1913 | 1989 | 2513 | 2704 | 2766 | 2849 | 3345 |
| 132 | 422 | 624 | 861 | 1121 | 1461 | 1914 | 1990 | 2514 | 2705 | 2767 | 2850 | 3346 |
| 137 | 427 | 625 | 862 | 1122 | 1462 | 1915 | 1991 | 2515 | 2706 | 2768 | 2851 | 3347 |
| 142 | 432 | 626 | 863 | 1123 | 1463 | 1916 | 1992 | 2516 | 2707 | 2769 | 2852 | 3348 |
| 147 | 437 | 627 | 864 | 1124 | 1464 | 1917 | 1993 | 2517 | 2708 | 2770 | 2853 | 3349 |
| 152 | 442 | 628 | 865 | 1125 | 1465 | 1918 | 1994 | 2518 | 2709 | 2771 | 2854 | 3350 |
| 157 | 447 | 629 | 866 | 1126 | 1466 | 1919 | 1995 | 2519 | 2710 | 2772 | 2855 | 3351 |
| 162 | 452 | 630 | 867 | 1127 | 1467 | 1920 | 1996 | 2520 | 2711 | 2773 | 2856 | 3352 |
| 167 | 457 | 631 | 868 | 1128 | 1468 | 1921 | 1997 | 2521 | 2712 | 2774 | 2857 | 3353 |
| 172 | 462 | 632 | 869 | 1129 | 1469 | 1922 | 1998 | 2522 | 2713 | 2775 | 2858 | 3354 |
| 177 | 467 | 633 | 870 | 1130 | 1470 | 1923 | 1999 | 2523 | 2714 | 2776 | 2859 | 3355 |
| 182 | 472 | 634 | 871 | 1131 | 1471 | 1924 | 2000 | 2524 | 2715 | 2777 | 2860 | 3356 |
| 187 | 477 | 635 | 872 | 1132 | 1472 | 1925 | 2001 | 2525 | 2716 | 2778 | 2861 | 3357 |
| 192 | 482 | 636 | 873 | 1133 | 1473 | 1926 | 2002 | 2526 | 2717 | 2779 | 2862 | 3358 |
| 197 | 487 | 637 | 874 | 1134 | 1474 | 1927 | 2003 | 2527 | 2718 | 2780 | 2863 | 3359 |
| 202 | 492 | 638 | 875 | 1135 | 1475 | 1928 | 2004 | 2528 | 2719 | 2781 | 2864 | 3360 |
| 207 | 497 | 639 | 876 | 1136 | 1476 | 1929 | 2005 | 2529 | 2720 | 2782 | 2865 | 3361 |
| 212 | 502 | 640 | 877 | 1137 | 1477 | 1930 | 2006 | 2530 | 2721 | 2783 | 2866 | 3362 |
| 217 | 507 | 641 | 878 | 1138 | 1478 | 1931 | 2007 | 2531 | 2722 | 2784 | 2867 | 3363 |
| 222 | 512 | 642 | 879 | 1139 | 1479 | 1932 | 2008 | 2532 | 2723 | 2785 | 2868 | 3364 |
| 227 | 517 | 643 | 880 | 1140 | 1480 | 1933 | 2009 | 2533 | 2724 | 2786 | 2869 | 3365 |
| 232 | 522 | 644 | 881 | 1141 | 1481 | 1934 | 2010 | 2534 | 2725 | 2787 | 2870 | 3366 |
| 237 | 527 | 645 | 882 | 1142 | 1482 | 1935 | 2011 | 2535 | 2726 | 2788 | 2871 | 3367 |
| 242 | 532 | 646 | 883 | 1143 | 1483 | 1936 | 2012 | 2536 | 2727 | 2789 | 2872 | 3368 |
| 247 | 537 | 647 | 884 | 1144 | 1484 | 1937 | 2013 | 2537 | 2728 | 2790 | 2873 | 3369 |
| 252 | 542 | 648 | 885 | 1145 | 1485 | 1938 | 2014 | 2538 | 2729 | 2791 | 2874 | 3370 |
| 257 | 547 | 649 | 886 | 1146 | 1486 | 1939 | 2015 | 2539 | 2730 | 2792 | 2875 | 3371 |
| 262 | 552 | 650 | 887 | 1147 | 1487 | 1940 | 2016 | 2540 | 2731 | 2793 | 2876 | 3372 |
| 267 | 557 | 651 | 888 | 1148 | 1488 | 1941 | 2017 | 2541 | 2732 | 2794 | 2877 | 3373 |
| 272 | 562 | 652 | 889 | 1149 | 1489 | 1942 | 2018 | 2542 | 2733 | 2795 | 2878 | 3374 |
| 277 | 567 | 653 | 890 | 1150 | 1490 | 1943 | 2019 | 2543 | 2734 | 2796 | 2879 | 3375 |
| 282 | 572 | 654 | 891 | 1151 | 1491 | 1944 | 2020 | 2544 | 2735 | 2797 | 2880 | 3376 |
| 287 | 577 | 655 | 892 | 1152 | 1492 | 1945 | 2021 | 2545 | 2736 | 2798 | 2881 | 3377 |
| 292 | 582 | 656 | 893 | 1153 | 1493 | 1946 | 2022 | 2546 | 2737 | 2799 | 2882 | 3378 |
| 297 | 587 | 657 | 894 | 1154 | 1494 | 1947 | 2023 | 2547 | 2738 | 2800 | 2883 | 3379 |
| 302 | 592 | 658 | 895 | 1155 | 1495 | 1948 | 2024 | 2548 | 2739 | 2801 | 2884 | 3380 |
| 307 | 597 | 659 | 896 | 1156 | 1496 | 1949 | 2025 | 2549 | 2740 | 2802 | 2885 | 3381 |
| 312 | 602 | 660 | 897 | 1157 | 1497 | 1950 | 2026 | 2550 | 2741 | 2803 | 2886 | 3382 |
| 317 | 607 | 661 | 898 | 1158 | 1498 | 1951 | 2027 | 2551 | 2742 | 2804 | 2887 | 3383 |
| 322 | 612 | 662 | 899 | 1159 | 1499 | 1952 | 2028 | 2552 | 2743 | 2805 | 2888 | 3384 |
| 327 | 617 | 663 | 900 | 1160 | 1500 | 1953 | 2029 | 2553 | 2744 | 2806 | 2889 | 3385 |
| 332 | 622 | 664 | 901 | 1161 | 1501 | 1954 | 2030 | 2554 | 2745 | 2807 | 2890 | 3386 |
| 337 | 627 | 665 | 902 | 1162 | 1502 | 1955 | 2031 | 2555 | 2746 | 2808 | 2891 | 3387 |
| 342 | 632 | 666 | 903 | 1163 | 1503 | 1956 | 2032 | 2556 | 2747 | 2809 | 2892 | 3388 |
| 347 | 637 | 667 | 904 | 1164 | 1504 | 1957 | 2033 | 2557 | 2748 | 2810 | 2893 | 3389 |
| 352 | 642 | 668 | 905 | 1165 | 1505 | 1958 | 2034 | 2558 | 2749 | 2811 | 2894 | 3390 |
| 357 | 647 | 669 | 906 | 1166 | 1506 | 1959 | 2035 | 2559 | 2750 | 2812 | 2895 | 3391 |
| 362 | 652 | 670 | 907 | 1167 | 1507 | 1960 | 2036 | 2560 | 2751 | 2813 | 2896 | 3392 |
| 367 | 657 | 671 | 908 | 1168 | 1508 | 1961 | 2037 | 2561 | 2752 | 2814 | 2897 | 3393 |
| 372 | 662 | 672 | 909 | 1169 | 1509 | 1962 | 2038 | 2562 | 2753 | 2815 | 2898 | 3394 |
| 377 | 667 | 673 | 910 | 1170 | 1510 | 1963 | 2039 | 2563 | 2754 | 2816 | 2899 | 3395 |
| 382 | 672 | 674 | 911 | 1171 | 1511 | 1964 | 2040 | 2564 | 2755 | 2817 | 2900 | 3396 |
| 387 | 677 | 675 | 912 | 1172 | 1512 | 1965 | 2041 | 2565 | 2756 | 2818 | 2901 | 3397 |
| 392 | 682 | 676 | 913 | 1173 | 1513 | 1966 | 2042 | 2566 | 2757 | 2819 | 2902 | 3398 |
| 397 | 687 | 677 | 914 | 1174 | 1514 | 1967 | 2043 | 2567 | 2758 | 2820 | 2903 | 3399 |
| 402 | 692 | 678 | 915 | 1175 | 1515 | 1968 | 2044 | 2568 | 2759 | 2821 | 2904 | 3400 |
| 407 | 697 | 679 | 916 | 1176 | 1516 | 1969 | 2045 | 2569 | 2760 | 2822 | 2905 | 3401 |
| 412 | 702 | 680 | 917 | 1177 | 1517 | 1970 | 2046 | 2570 | 2761 | 2823 | 2906 | 3402 |
| 417 | 707 | 681 | 918 | 1178 | 1518 | 1971 | 2047 | 2571 | 2762 | 2824 | 2907 | 3403 |
| 422 | 712 | 682 | 919 | 1179 | 1519 | 1972 | 2048 | 2572 | 2763 | 2825 | 2908 | 3404 |
| 427 | 717 | 683 | 920 | 1180 | 1520 | 1973 | 2049 | 2573 | 2764 | 2826 | 2909 | 3405 |
| 432 | 722 | 684 | 921 | 1181 | 1521 | 1974 | 2050 | 2574 | 2765 | 2827 | 2910 | 3406 |
| 437 | 727 | 685 | 922 | 1182 | 1522 | 1975 | 2051 | 2575 | 2766 | 2828 | 2911 | 3407 |
| 442 | 732 | 686 | 923 | 1183 | 1523 | 1976 | 2052 | 2576 | 2767 | 2829 | 2912 | 3408 |
| 447 | 737 | 687 | 924 | 1184 | 1524 | 1977 | 2053 | 2577 | 2768 | 2830 | 2913 | 3409 |
| 452 | 742 | 688 | 925 | 1185 | 1525 | 1978 | 2054 | 2578 | 2769 | 2831 | 2914 | 3410 |
| 457 | 747 | 689 | 926 | 1186 | 1526 | 1979 | 2055 | 2579 | 2770 | 2832 | 2915 | 3411 |
| 462 | 752 | 690 | 927 | 1187 | 1527 | 1980 | 2056 | 2580 | 2771 | 2833 | 2916 | 3412 |
| 467 | 757 | 691 | 928 | 1188 | 1528 | 1981 | 2057 | 2581 | 2772 | 2834 | 2917 | 3413 |
| 472 | 762 | 692 | 929 | 1189 | 1529 | 1982 | 2058 | 2582 | 2773 | 2835 | 2918 | 3414 |
| 477 | 767 | 693 | 930 | 1190 | 1530 | 1983 | 2059 | 2583 | 2774 | 2836 | 2919 | 3415 |
| 482 | 772 | 694 | 931 | 1191 | 1531 | 1984 | 2060 | 2584 | 2775 | 2837 | 2920 | 3416 |
| 487 | 777 | 695 | 932 | 1192 | 1532 | 1985 | 2061 | 2585 | 2776 | 2838 | 2921 | 3417 |
| 492 | 782 | 696 | 933 | 1193 | 1533 | 1986 | 2062 | 2586 | 2777 | 2839 | 2922 | 3418 |
| 497 | 787 | 697 | 934 | 1194 | 1534 | 1987 | 2063 | 2587 | 2778 | 2840 | 2923 | 3419 |
| 502 | 792 | 698 | 935 | 1195 | 1535 | 1988 | 2064 | 2588 | 2779 | 2841 | 2924 | 3420 |
| 507 | 797 | 699 | 936 | 1196 | 1536 | 1989 | 2065 | 2589 | 2780 | 2842 | 2925 | 3421 |
| 512 | 802 | 700 | 937 | 1197 | 1537 | 1990 | 2066 | 2590 | 2781 | 2843 | 2926 | 3422 |
| 517 | 807 | 701 | 938 | 1198 | 1538 | 1991 | 2067 | 2591 | 2782 | 2844 | 2927 | 3423 |
| 522 | 812 | 702 | 939 | 1199 | 1539 | 1992 | 2068 | 2592 | 2783 | 2845 | 2928 | 3424 |
| 527 | 817 | 703 | 940 | 1200 | 1540 | 1993 | 2069 | 2593 | 2784 | 2846 | 2929 | 3425 |
| 532 | 822 | 704 | 941 | 1201 | 1541 | 1994 | 2070 | 2594 | 2785 | 2847 | 2930 | 3426 |
| 537 | 827 | 705 | 942 | 1202 | 1542 | 1995 | 2071 | 2595 | 2786 | 2848 | 2931 | 3427 |
| 542 | 832 | 706 | 943 | 1203 | 1543 | 1996 | 2072 | 2596 | 2787 | 2849 | 2932 | 3428</ |

UK COMPANY NEWS

ConsGold's growth programme

BY KENNETH MARSTON, MINING EDITOR

DESPITE THE general recession in much of the mining industry, London's Consolidated Gold Fields remains dedicated to its role as an international mining finance house.

Mr. Randolph Agnew, the chairman, says in the annual report that basic strategy is one of "careful growth, limited to, but diversified within, the natural resource sector."

He makes no forecast of current year to next June. Looking further, he does not agree with pessimistic views of unrelieved recession for the mining industry but says "I am also far from unbounded optimism."

Instead, he expects an eventual correction in the

current over-capacity for supply of most metals as a result of continued demand growth, depletion of current operations and a dearth of new developments.

Mr. Agnew confirms that in the next few months some sales will be completed of the nine industrial companies in the ill-fated Gold Fields American industries group. Apart from the Skytop Brewster drilling rig manufacturer, these companies were profitable in the past year. In the year to June 30, ConsGold's earnings rose to \$77.4m, or 40.7p per share, against \$71.5m and the net dividend total was unchanged at 24.5p.

The important construction materials interests overlooked gold as the major contributor to pre-tax profits, but gold production in South Africa and, to a lesser extent, elsewhere remained the single most important mining activity.

New gold ventures which will benefit the group include the U.S. Gold Quarry operation which is about to start up, the Pine Creek mine in Australia's Northern Territory which is due to come on stream next month and the Californian mine where first production is expected in February. Late-1990 should see initial output at the major extension of the Kloof mine in South Africa.

It is generally agreed that the group has a good long-term earnings potential, but nothing spectacular is expected in the current year. However, shareholders will be hoping for a most increase in the dividend total which has been paid for the past five years.

They may note that the chairman's pay for the past year has risen to \$217,517, compared with \$147,834, while the highest-paid employee has moved up into the \$30,000 to \$35,000 bracket from the previous \$25,000 to \$30,000.

The annual meeting will be held at 11.30 am on November 7 at the Hotel Inter-Continental, London.

BOARD MEETINGS

TODAY

Interim: A. Caird, Campbell International, Hercules, Cory, Cullen's, Ewells-Hopwood, Forrester and Mason, Norman Hay, House Property Company of London, W. and R. Jacob, Kinney and Forrester, Raybould, Rubinfeld, TDS Circuits.

Final: Abingworth, Alroelectric, Britvic Security, Canadian Overseas Packaging Industries, Druck, John Maunders, C. H. Pearce, Photo-Me International, R. Thomas.

FUTURE DATES

Interim: Allebone Oct 16
Ambrose Invest. Trust Oct 23
French Connection Oct 23
Lake View Invest. Trust Oct 18
Lee Cooper Oct 22
Securities Trust of Scotland Oct 22
Sleight Oct 22
West Bromwich Spring Oct 11

Final: SM Group Oct 15
Low (Wm.) Oct 30
Lythe (S.) Oct 17
Nation Oct 17
TSW Television South West Oct 14

Brasway in £1.2m cash call

Brasway, a bright bar and welded tube maker and scrap processor, based in the West Midlands, yesterday announced a one-for-three rights issue designed to raise £1.2m for expansion.

It proposes to issue 2.5m ordinary 10p shares at 85p each. The existing 10p shares fall 5p yesterday to close at 80p.

In the year to last April, Brasway made pre-tax profits of \$260,000 compared with \$222,250 the year before and losses of \$388,733 in the year to April 1985.

In the past three years it has invested more than £1m in a new factory and additional plant to improve the efficiency of its welded tube division and to set up two divisions—welded

tube manipulation and oil blending.

Net borrowings stood at £2.2m in April compared with shareholdings of £3.1m gearing of 71 per cent.

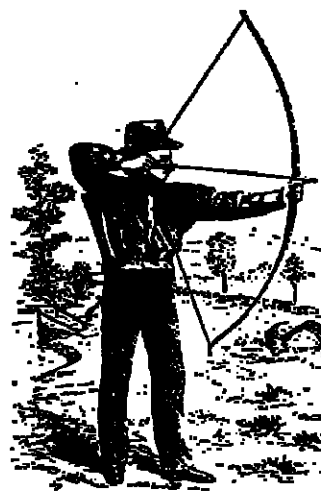
Mr. Tony Adams, finance director, said yesterday that the enlargement of Brasway's capital base would enable it to continue expanding into areas related to current activities. The group had no firm plans at present, he said, and expansion could be either organic or through acquisition.

Mr. Mark Swaby, chairman, said in the annual report: "We are still acquisitive but intend to select carefully, for there are many had companies and few good ones for sale which will suit our specific requirements."

Brasway has made no profits forecast in connection with the rights issue but said yesterday that the bright bar and ferrous divisions were maintaining their market shares.

The company said it planned to declare an interim dividend of 1p against 0.75p last year. The other 618,255 to which they are entitled will be sold in the market.

N. M. Rothschild, the merchant bank, has underwritten all of the issue except for the two directors' 115,658 shares. Brokers to the issue are Cazenove and Sabin, Bacon, White. Dealings are due to begin on Monday.



We know how frustrating it can be to have capital tied up in slow moving stock, or in the laying in of new stock, and the adverse effects it can have on cash flow.

That's why, in 1983, Arrows Limited was founded to fill a gap in the financial market place by providing unique facilities that were not being offered by any other institution in the United Kingdom. We are still the clear leaders.

Put simply, companies can borrow money from us in the short term against their stock and so have capital ready to hand to buy in more materials; extend credit to their customers; or enjoy the discounts that cash payment can provide.

INTRODUCING THE NEW WAY TO HIT GROWTH TARGETS WITHOUT AFFECTING EXISTING BORROWING LIMITS

How is it done? A company invoices all or part of their stock to Arrows Limited in exchange for immediate payment — less an agreed discount — with a sale back to the company against an accepted Trade Bill of Exchange normally drawn up for a period of up to 60 days or, under exceptional standards, up to 90 days.

It is the easy, quick and convenient alternative to the difficulties involved in arranging bank overdrafts, second line financial arrangements or factoring.

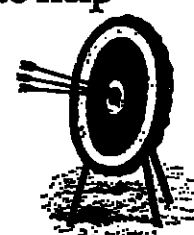
And the cost? True, our facilities are marginally more expensive than those offered by the clearing banks but we believe our rates are actually lower than those offered by Finance Houses. And Arrows Limited require no formal security.

Our unique method of Off Balance Sheet Finance eliminates borrowing from a company's balance sheet and releases funds to help increase trading capacity.

If you would like further information, please contact Arrows Limited and we will deal with your enquiry in the strictest confidence.

ARROWS LIMITED

Arrows House, Kingsway, Manchester M19 1BA. Telephone: 061-224 8800. Telex: 667052.



TENDER OFFER ON BEHALF OF

C. H. BEAZER (HOLDINGS) PLC

to acquire up to 10,688,000 Ordinary shares in

SGB GROUP plc

SHARE ALTERNATIVE VALUED AT 209p

CASH ALTERNATIVE OF 195½p

plus in each case a

POTENTIAL TOP-UP PAYMENT

Advisers to Beazer

L. MESSEL & CO.

THIS ANNOUNCEMENT SETS OUT THE PRINCIPAL TERMS OF THE TENDER OFFER DOCUMENT DATED 9th OCTOBER 1985 AND FORM OF TENDER DESPATCHED TO SGB SHAREHOLDERS AND IS NOT ITSELF AN OFFER. COPIES OF THE TENDER OFFER DOCUMENT AND FORM OF TENDER UPON THE TERMS OF WHICH ALONE TENDERS WILL BE ACCEPTED MAY BE OBTAINED ON REQUEST FROM L. MESSEL & CO. AND NATIONAL WESTMINSTER BANK PLC AT THE ADDRESSES SET OUT BELOW.

To all shareholders of SGB Group plc ("SGB").

THIS ANNOUNCEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THIS TENDER OFFER, PLEASE CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

L. Messel & Co. ("L. Messel"), acting on behalf of C. H. Beazer (Holdings) PLC ("Beazer"), is offering to purchase by tender a maximum of 10,688,000 Ordinary shares of 25p (the stated minimum representing approximately 25.0 per cent. of the issued Ordinary share capital of SGB on the terms set out in the Tender Offer Document. The following is a summary of the principal terms of the Tender Offer:

1. The tender consideration shall be EITHER 195½p in cash for each SGB share OR, at the option of acceptors, 48 new Beazer shares for every 100 SGB shares tendered and so in proportion for any greater or smaller number of SGB shares. In certain circumstances all acceptors may also at a later date become entitled to a top-up payment as described below.

The consideration being offered compares with the middle market quotation of 180p derived from The Stock Exchange Daily Official List at the close of business on 9th October 1985. The value of the Share Alternative stated above is based on the middle market quotation of Beazer shares of 484p derived from The Stock Exchange Daily Official List at the close of business on 9th October 1985, adjusted to reflect the fact that such shares will not rank for the proposed final dividend of 8.0p per Beazer share for the year ended 30th June 1985.

2. Unless tenders in respect of at least an aggregate of 5,100,000 SGB shares representing 12 per cent. of the issued Ordinary share capital are received, the offer shall be void.

3. Subject to the provisions of paragraph 2 above, all tenders will be irrevocable.

4. The Tender Offer will close at 3.30 p.m. on Wednesday, 23rd October 1985.

5. The Cash Alternative is being provided by means of the allotment of new Beazer shares on the terms of the Share Alternative and the Cash Alternative set out in the Tender Offer Document. The value of the Cash Alternative is based on the middle market quotation of Beazer shares of 484p derived from The Stock Exchange Daily Official List at the close of business on 9th October 1985, adjusted to reflect the fact that such shares will not rank for the proposed final dividend of 8.0p per Beazer share for the year ended 30th June 1985.

6. Application will be made to the Council of The Stock Exchange prior to the closing of the Tender Offer for the new Beazer shares to be admitted to the Official List and Beazer will make an announcement as soon as listing is granted. If a listing for such shares is not granted (subject to allotment) prior to the closing date of the Tender Offer, the Share Alternative will not be available and SGB shareholders who elect for the Share Alternative will be deemed to have elected for the Cash Alternative (unless they indicate otherwise on the Form of Tender) which, in that event, will be provided by Beazer.

7. SGB shares will be acquired by Beazer free from all liens, charges and encumbrances and with all rights now or hereafter attaching thereto including the right to receive all dividends and other distributions declared, made or paid after the date hereof. The new Beazer shares will be issued credited as fully paid and will rank pari passu with the existing issued Beazer shares except that they will not rank for the final dividend in respect of the year ended 30th June 1985.

8. Beazer already holds 2,125,000 Ordinary shares of SGB (4.97 per cent.) and will hold 25.9 per cent. of SGB's Ordinary share capital if it acquires the maximum amount of shares now being offered for.

9. If the number of SGB shares tendered exceeds 10,688,000, the tenders will be scaled down pro rata.

Procedure for Tendering

Copies of the Tender Offer Document and Form of Tender upon the terms of which alone tenders will be accepted have been despatched by post to all shareholders of SGB as registered at 2nd April 1985 and may be obtained on request from:

L. Messel & Co.
1 Finsbury Avenue,
London EC2P 2DQ
Tel: 01-777 0123
ext. 4386

National Westminster Bank PLC,
New Issues Department,
P.O. Box No. 75,
2 Princess Street,
London EC2P 2BD
Tel: 01-453 9181

Forms of Tender duly completed should be returned together with the relevant share certificate(s) and/or other document(s) or title to National Westminster Bank PLC, New Issues Department, P.O. Box No. 75, 2 Princess Street, London EC2P 2BD as soon as possible but in any event so as to arrive not later than 3.30 p.m. on Wednesday, 23rd October 1985.

Where a recognised bank, licensed institution (within the meaning of the Banking Act 1979), Trustee Savings Bank, National Girobank or a member of The Stock Exchange affixes its stamp to the Form of Tender, Beazer will pay a fee (together with VAT, where appropriate) from its own resources of 1p per SGB share represented by such form and tendered and accepted by Beazer.

Settlement
The result of the Tender Offer and, if applicable, the date of scaling down tenders will be announced by 9.30 a.m. on 24th October 1985.

(i) The Share Alternative

If a listing for the new Beazer shares is granted (subject to allotment) before the Tender Offer closes, SGB shareholders who elect for the Share Alternative and whose tenders are accepted will be allotted 48 new Beazer shares for every 100 SGB shares in respect of which their tender is accepted (and so in proportion for any greater or smaller number of SGB shares) and that fractions of new Beazer shares will not be allotted to accepting shareholders of SGB. The new Beazer shares representing the aggregate of fractional entitlements will be sold in the market and the net cash proceeds distributed pro rata to relevant accepting shareholders of SGB, except that amounts of less than £2.50 will not be distributed but will be retained for the benefit of Beazer. Renounceable letters of allotment will be posted, in the case of tenders received valid and complete in all respects before the Tender Offer closes, not later than 8th November 1985 or, in the case of tenders received before the Tender Offer closes but which are not complete in all respects, within 14 days of such tenders becoming complete in all respects before the Tender Offer closes. Beazer trading stock incorporated as valid, tenders are accepted to commence in the new Beazer shares at 9.30 a.m. on 25th October 1985 for deferred settlement on 12th November 1985.

(ii) The Cash Alternative

Cheques will be despatched not later than 8th November 1985 to SGB shareholders who elect for the Cash Alternative and whose tenders, valid and complete in all respects, are received before the Tender Offer closes, or who, in the event that a listing for the new Beazer shares is not granted before the Tender Offer closes, are deemed to elect for the Cash Alternative.

(iii) Top-up Payments

Cheques will be despatched to SGB shareholders entitled thereto as described in the section "Top-up Payments" below.

(iv) General

All documents and remittances sent by or to SGB shareholders will be sent at their risk. If the Tender Offer does not become unconditional, Forms of Tender, certificates and/or other documents of title will be returned by post by 7th November 1985. In the event of scaling down, balance certificates, where applicable, will be despatched as soon as practicable. Pending receipt of balance certificates transfers may be certified against the register.

Beazer's Intentions

Beazer has no present intention of disposing of any SGB shares acquired under the Tender Offer. It is not Beazer's present intention to make any general offer to acquire the remaining Ordinary share capital of SGB for at least three months and it has made no decision as to its policy thereafter. Beazer would however reconsider its position in the event of any material change of circumstances in the past three months including, for example, if the Board of SGB were to agree such an offer on a recommended basis or propose a material corporate transaction or if a third party announced its intention to make any offer or tender for Ordinary shares of SGB.

Top-up Payments

All acceptors of the Tender Offer will be contingently entitled to receive a supplementary payment (the "top-up payment") in cash subject to the condition that for each SGB share tendered and accepted, the top-up payment will be made if and only if the following conditions are fulfilled:

(a) If Beazer for any subsidiary of Beazer or person acting in concert with Beazer makes a general offer to acquire the Ordinary share capital of SGB for any part thereof, which offer is announced within 12 months of 9th October 1985; AND

EITHER (b)(i) such general offer or a revision thereof, (the "Beazer General Offer"), becomes or is declared wholly unconditional so that Beazer acquires a controlling interest in SGB;

OR (b)(ii) a third party makes a general offer competitive with the Beazer General Offer which (for a revision of which) becomes or is declared wholly unconditional so that such third party acquires a controlling interest in SGB.

The top-up payment will be the excess (if any) of the highest cash or cash alternative price per SGB share offered in the Beazer General Offer (but not in any third party competitive offer) over the basic Cash Alternative price receivable under the Tender Offer. The top-up payment will be made within 21 days of the Beazer General Offer for the competitive offer referred to in (b) above, as the case may be, becoming or being declared wholly unconditional. If up to the date of satisfaction of condition (b) above SGB makes any issue by means of rights or capitalisation, or consolidation, subdivision or reduction in share capital, then the amount of the top-up payment will be adjusted in such manner as the auditors of Beazer may determine to be fair and reasonable, which determination shall be final and conclusive. In making such determination the auditors shall act as experts and not as arbitrators.

Beazer will not be in any way obliged to make any general offer, nor inhibited from disposing of shares in SGB acquired under the Tender Offer, if it chooses to do so, free of any obligation to acceptors of the Tender Offer. Any general offer announced in the next 12 months by Beazer to acquire Ordinary share capital of SGB (including any revision) will be in cash or will include a full cash alternative.

For the purposes of this section, (a) the publication of a scheme of arrangement under the Companies Act 1985 in consequence of which any person will hold all or any part of the issued Ordinary share capital of SGB shall be deemed to be the making of a general offer; and (b) an acquisition of a controlling interest shall be deemed to occur if the right to cast more than 50 per cent. of the votes which may ordinarily be cast at a general meeting of SGB becomes vested in the offeror and/or any subsidiary of the offeror and/or any person acting in concert with the offeror.

10th October 1985

New Issue

This announcement appears as a matter of record only.

9th October, 1985



U.S. \$100,000,000

New South Wales Treasury Corporation

10½% United States Dollar Bonds—First Series (1985)

Guaranteed by

The Crown in Right of New South Wales

Issue Price 100½ per cent.

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The Nippon Kangyo Kakamaru Securities Co., Ltd.

Pacific Securities Co., Ltd.

Wako Securities Co., Ltd.

Okasan Securities Co., Ltd.

Yamatane Securities Co., Ltd.

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Towa Securities Co., Ltd.

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Moët-Hennessy

MOËT-HENNESSY REPORTS STRONG INCREASE IN 1985 FIRST HALF RESULTS



Unaudited results of Moët-Hennessy showed pre-tax income for the six months ended June 30, 1985 of 563 million French francs, up 40% from 1984 first half results. Sales totaled 3,420 million French francs, an increase of 20% from the 1984 first half. When converted to US Dollars at the June 30, 1985 rate of 9.23 French francs to the dollar, first half results translate to sales of \$375.5 million and pre-tax income of \$61.0 million. Mr Alain Chevalier, Chairman and chief executive officer, said, "these excellent results exceeded our projections and reflect continued profitability improvement in all divisions".

"Third quarter sales appear to confirm that the momentum of the first half is continuing", Mr Chevalier commented. "Excluding exceptional events" he concluded, "Moët-Hennessy is well positioned to meet its 1985 projections: a pre-tax income gain slightly higher than 25% and a sales increase close to 20%".

In the champagne and wine division, pre-tax income for the 1985 first half rose 35% to 246 million French francs, while sales increased 20% to 1,364 million French francs. As a result of a severe freeze last winter, this year's grape supply is expected to be about 50% less than normal. However, a two-year-old industry reserve policy will enable producers to maintain inventory levels by using wines set aside from previous years. In the cognac and spirits division, a pre-tax income for the 1985 first half increased 35% to 280 million French francs, while sales increased 26% to 1,169 million French francs. In addition to margin improvements and favorable currency impact, first half 1985 results improved due to shipment increases of 12.4% for champagne and 11.2% for cognac.

The perfume and beauty products division reported the highest increase in profits within the Group. Pre-tax income was 91 million French francs, record 56% increase over the 1984 first half. Sales increased 13% over 1984 to 794 million French francs.

"This exceptional improvement", Mr Chevalier said, "occurred primarily because of the return to profitability of RoC Laboratories. In addition, Christian Dior Perfumes reported a 12% increase in pre-tax profits despite high expenses associated with launching the new Christian Dior fragrance, "Poison", which has generated orders to date beyond our most optimistic projections".

In the horticulture division, Armstrong Roses of Somis, California reported a loss of \$2.3 million on sales of \$9.7 million. This represents a significant reduction of losses compared to 1984, and results from a reorganization of the division now underway.

Moët-Hennessy is an international company engaged in the worldwide production and distribution of prestige consumer products. Its well known brands include: Moët et Chandon and Dom Pérignon Champagnes, Hennessy cognac and Christian Dior perfumes. Moët-Hennessy U.S. Corporation, which represents one-third of total sales, includes the operations of Schieffelin & Co., a leading distributor of wines and spirits, the Domaine Chandon and Simi Winery in California, and Armstrong Roses, also in California.

Moët-Hennessy shares are listed on the Paris Bourse and the most recent share price quoted on the Paris Bourse was 1,399 French francs. This is the equivalent of \$229.9 at the September 24th exchange rate of 8.26 French francs to the dollar.

NOTICE OF REDEMPTION

To the Holders of

HILTON INTERNATIONAL CO.

7 1/4% Debentures Due 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of November 1, 1972 providing for the above Debentures, \$1,223,000 principal amount of said Debentures have been selected for redemption on November 1, 1985, through operation of the mandatory Sinking Fund at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date, each in the denomination of \$1,000 bearing serial numbers with the prefix letter "M" as follows:

| DEBENTURES BEARING THE DISTINCTIVE NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS: | | | | | | | | | |
|---|------|------|------|------|------|-------|-------|-------|-------|
| 25 | 26 | 31 | 32 | 44 | 47 | 57 | 68 | 76 | 77 |
| 86 | 89 | 95 | | | | | | | |
| ALSO OUTSTANDING DEBENTURES OF PREFIX "M" BEARING THE FOLLOWING NUMBERS: | | | | | | | | | |
| 298 | 1698 | 2198 | 3298 | 3798 | 4298 | 12498 | 14098 | 14398 | 14398 |
| 1398 | 1798 | 2298 | 4498 | 4498 | 4498 | 11098 | 12398 | 14198 | 14998 |
| 1598 | 1998 | 2698 | 5098 | 5098 | 5098 | 10198 | 12298 | 13898 | 14798 |

On November 1, 1985, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons pertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10011, or (b) at the main offices of any of the following: Morgan Guaranty Trust Company of New York in Brussels, Frankfurt/Main, London and Paris and Banque Generale du Luxembourg in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City or by transfer to a dollar account maintained by the payee with a bank in New York City. Such payment made by transfer to an account maintained with a bank in the United States by the payee may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding of 20% of the gross proceeds if payee not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-9, certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9 certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

Coupons due November 1, 1985 should be detached and collected in the usual manner. On and after November 1, 1985 interest shall cease to accrue on the Debentures herein designated for redemption.

HILTON INTERNATIONAL CO.

Dated: October 2, 1985

APPOINTMENTS

Rolls-Royce senior posts

ROLLS-ROYCE LIMITED has appointed Mr Alan Smith, currently commercial director of its civil engine group, to the board of its U.S. subsidiary, Rolls-Royce Inc. prior to becoming its president and chief operating officer on January 1, 1986. Mr E. H. "Tex" Boulton has also been elected to the board of Rolls-Royce Inc.

Mr S. L. Higginbottom, chairman and president of Rolls-Royce Inc. is to retire as president on January 1 next year. He will continue as chairman until he retires in October 1986, after which he will continue as a member of the board of Rolls-Royce Limited.

Mr Richard Turner, at present general manager-marketing, civil engine group, will succeed Mr Smith as commercial director, civil engine group, from January 1, 1986.

PRICE WATERHOUSE UK has appointed Mr Barry A. Baldwin, as national director of independent business services.

ARBUOTHNOT LATHEAM has appointed Dr Peter Greenhalgh as a director. He was assistant director of corporate finance at Hill Samuel and Co., and a director of Hill Samuel Securities. He remains a non-executive director of South African United National Bots.

Haslewood Foods and Mansfield Brewery have pooled their interests in nationally marketing cider, and formed FRAMPTON VILLAGE CIDER COMPANY. Mr J. R. Hings, group managing director of Mansfield Brewery, has been appointed chairman of the new company.

ROYAL DOULTON has appointed Mr Neil E. Tasker as deputy managing director of the retail sales division.

Mr F. R. Harrison, chairman of the BRITISH INVESTMENT TRUST, has resigned. Mr C. Barker has been appointed a director and has been elected to succeed Mr Harrison as chairman. Mr Barker is currently chairman of British Technology Group and is also a non-executive member of the National Coal Board and a director of Reed International.

Mr David Lewis has been appointed chairman of the Standing Advisory Committee on Trade Marks. He represents the International Chamber of Commerce (British Section) and is manager of patents and trade marks at Babcock International. Mr Bernard J. Fisher joins the committee to represent the Chartered Institute of Patent Agents.

BRADLEY HOMES, Swindon, now part of English China Clays construction division, has appointed Mr Graham White as director responsible for land.

PRO NED (Promotion of Non-Executive Directors) announces that Jonathan Clarkham, a director, is leaving at the end of October to assume the secondment from the Bank of England. Mr Clarkham is to become a chief adviser in the bank, with special responsibilities in the areas of corporate and industrial finance, securities and general supervision. Mr Douglas Strachan, former managing director of Allied Breweries, is to take up the post of director of PRO NED on October 23. Mr Strachan joined the board of Allied Lyons in 1976 and was appointed managing director of Allied Breweries in 1978. PRO NED was established in 1982 to promote the wider use of able independent directors and to help companies find appropriate candidates.

Dr Peter E. Lane has been appointed non-executive chairman of OCEANEERING INTERNATIONAL SERVICES. Dr Lane was, until his retirement earlier this year, a director of BP Exploration Company with responsibility for north-west Europe.

Mr Gerald Stanley Jones, currently controller of BBC Wales, has been appointed the BBC's director of public affairs from January 1, 1986.

Mr Martin H. Buckley has been appointed as chairman and chief executive of WADDINGTONS

BUSINESS FORMS. Mr Buckley joins Waddington from Lin Pac Containers International.

Mr Philip Brown has been appointed a non-executive director of NATIONAL PROVIDENT INSTITUTION from October 1. He was head of external relations at Lloyd's of London.

Mr Roy Spies, marine underwriter, has joined the board of RIVER THAMES INSURANCE CO. Mr John Weedon, treaty underwriter, has been appointed director of non-marine underwriting.

SIMON-HARTLEY has appointed as managing director Mr John Corbushley, previously sales and projects director. He succeeds Mr T. F. Whitehead.

Mr Terry King-Smith has been appointed a director of THE KENNING CAR AND VAN RENTAL. He was marketing director of Group 4 Security.

TOOTAL GROUP has appointed Mr Roy Boardman, managing director of the Slimma Group, and Mr Martin Parker, chairman of Tootal Home Furnishings, to the group's London local board.

ICI makes divisional promotions

Dr William F. Madden, a director of ICI's petrochemicals division, has been appointed president of ICI JAPAN. He becomes president-elect on October 1, 1986 and takes over from Dr Stanley A. Ridgwell, who is retiring.

Dr William A. M. Duncan, deputy chairman of ICI pharmaceuticals division, has been appointed chief executive of Coopers Animal Health, the company formed in October, 1984, when ICI and the Wellcome Foundation merged their respective animal health businesses. Dr Duncan will take up this new appointment on January 1, 1986 and will relinquish his post with pharmaceuticals division on that date. He will succeed Dr Ronald M. Crosswell, a director of the Wellcome Foundation who is to assume the central research and development appointment in the Wellcome Group. Mr Peter W. Liff, chairman of ICI Pharmaceuticals Division, will join the board of Coopers Animal Health (Holdings) Limited with effect from January 1, 1986.

Mr Dick Turpin has been appointed by American parent company, Delaware North Companies International, to the new position of chief executive and managing director of LITHEBY & CHRISTOPHER, Reading. He was managing director of Comas Services, a member of the Grand Metropolitan Group.

Mr Leslie Tench has been appointed managing director of STEELEY GROUP, managing director of Twyford Bathrooms, as well as managing director of its Cardiff subsidiary, Edward Curran (both Reed International companies).

Mr Bob Barrows, currently executive producer of sport at THAMES TELEVISION, takes over as controller of sport and outside broadcasts on January 1, 1986. He replaces Mr Ronald Allison who becomes director of corporate affairs.

Mr D. Rex Williams has become chief executive of REX WILLIAMS LEISURE following the resignation of Mr Ray C. Baker through ill health. Mr E. Roy Lloyd, financial director, has been appointed deputy chief executive. Mr Williams has

COMPAGNIE BANCAIRE

Société Anonyme
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Regd. Office: 5 avenue Kléber, Paris 16ème.

Report by the Board of Management

First half of 1985

THE GROUP'S OPERATIONS
The Group's new business in the first half of 1985 amounted to 19,200 million francs. This figure represents, in the main, loans by credit companies in the Group and investments by leasing companies.

On 30th June, 1985 the total of loans outstanding amounted to 98,000 million francs.

| (in thousand million francs) | 1st half 1983 | 2nd half 1983 | 1st half 1984 | 2nd half 1984 | 1st half 1985 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Credit granted and new business | 16.4 | 17.5 | 17.6 | 18.5 | 19.2 |
| Loans outstanding (end of period) | 82.0 | 86.5 | 90.5 | 94.3 | 98.0 |

CONSOLIDATED PROFITS

Net consolidated operating profits attributable to the Compagnie Bancaire amounted to 289 million francs during the first half of 1985.

| (in millions of francs) | 1983 | 1984 | 1st half 1984 | 1st half 1985 |
|---|-------|-------|---------------|---------------|
| Group pre-tax profits | 1,612 | 1,630 | 860 | 1,013 |
| Taxation | -760 | -771 | -408 | -489 |
| Outside shareholders' interest | -359 | -403 | -198 | -235 |
| Net consolidated operating profits attributable to Compagnie Bancaire | 493 | 476 | 254 | 289 |

To the above profits, which arise from the Group's normal operations, capital gains on sales of investment securities and fixed assets must be added. During the first half of 1985, these capital gains, after provision for income tax, amounted to a total of 61 million francs for the Group as a whole, 59 millions of which were attributable to the Compagnie Bancaire.

The Group's share capital and reserves, including net profits for the first half of 1985, reached 7,641 million francs as of 30th June, of which 4,081 was attributable to the Compagnie Bancaire.

Note on accounts:
The pre-tax operating profits of the Group's Companies are computed after appropriations to depreciation accounts and to provisions for future charges or recognised risks. They also include, where appropriate, appropriations to provisions of the nature of free reserves.

U.S. \$250,000,000



Crédit Lyonnais

Floating Rate Notes Due 1997

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 9th October, 1985 to 9th April, 1986 the Notes will carry an Interest Rate of 8 1/8% per annum. The interest amount payable on the relevant Interest Payment Date which will be 9th April, 1986 is U.S. \$436.04 for each Note of U.S. \$10,000.

Credit Suisse First Boston Limited
Reference Agent

legrand

FIRST HALF RESULTS

Income up 19% Cash flow up 17%
The Group's consolidated results on 30 June were as follows:
(in FF million)

| | 1st half 1985 | 1st half 1984 | % |
|--|---------------|---------------|-----|
| Net sales | 2,253 | 1,722 | +31 |
| of which, sales abroad | 40% | 31% | |
| Post-tax income (Group share) | 93.1 | 78.2 | +19 |
| Funds provided from operations (cash flow) | 219.9 | 187.6 | +17 |

Discounting changes in the structure of the Group, consolidated sales would have been up 12%.

Pass & Seymour, which joined the Legrand Group at the end of 1984, reported sales of US\$29 million in the first half of 1985, with an increase in net margins in relative terms for the second year in succession.

Consolidated sales are up 31% for the first eight months of the year.

This announcement appears as a matter of record only



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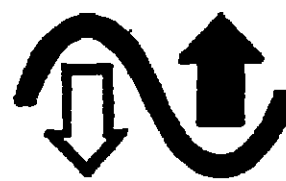
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INTERNATIONAL

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32a Station Road, West Oxford
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Please reply in writing, enclosing a detailed curriculum vitae, to:

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Zambia

c £25,000

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A Qualified Accountant with character and common-sense is required to act as Personal Assistant to the Directors of a small firm specialising in international investment, taxation and administration. Applicants should have an interest in taxation and investments combined with a willingness to become involved with accounting and administration.

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required by a rapidly expanding firm in Croydon. Should be able to take full responsibility of the practice. Must be technically competent with good general practice experience. Excellent salary and prospects. Send c.v. to Mrs V. L. Thornton 163 Cherry Orchard Road, Croydon or tel: 01-446 7766 for application form



International Financial Planning and Analysis

c.£18,000 + car

Hammersmith/Kingston

GEISCO is the information services division of General Electric (USA)*, one of the world's major international companies. It has rapidly developed into a leading supplier of international business systems and consultancy services, with computer service operations spanning some 25 countries via the world's largest commercial teleprocessing network.

GEISCO's complex planning and analysis process demands a high degree of financial expertise. Two high-calibre accountants are now needed; the first at the International Headquarters in Hammersmith, the second at the European Head Office in Kingston.

Using the latest computerised techniques, these roles will, as well as budget preparation, forecasting and management reporting, provide the opportunity for considerable personal input to strategic business decision making. In both cases, frequent

exposure to senior management and close liaison with international affiliates will create excellent prospects for early promotion. You must be a graduate, qualified accountant (or MBA) and have at least three years' financial analysis experience in international commerce. A good working knowledge of US accounting practices would be a distinct advantage, as would familiarity with computerised accounting systems.

Each position commands a generous benefits package including a fully-expensed company car.

Candidates should initially contact Nigel Bates FCA, Executive Division, enclosing a comprehensive c.v., quoting ref. 281, at 39-41 Parker Street, London WC2B 5LH.

*Not connected with the General Electric Company PLC of England.



Michael Page Partnership

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London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
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Financial Controller

up to £30,000 + car

Surrey

The Milk Marketing Board is the dairy farmers' organisation for England and Wales and has a turnover in excess of £2000m p.a.

This new appointment reports to the Managing Director of Milk Marketing with a functional responsibility to the Group Finance Director. The successful candidate will be responsible for the overall control of financial management and services to all the Milk Marketing Divisions, and as part of the senior management team, will help the business to develop within a sound financial framework. The Financial Controller will also provide detailed accounts for consolidation, for the Board to meet its statutory and legal accounting requirements.

Candidates should be qualified accountants with at least 10 years' experience in the management of all finance and accounting functions - ideally involving some exposure to the dairy industry. First class communication and man-management skills, and an understanding of modern data handling and business systems are essential.



Excellent benefits are those appropriate to a major company and include a car and relocation expenses where appropriate.

Please write with full details to: G. E. Anells, Personnel Manager, Milk Marketing Board, Thames Ditton, Surrey, KT7 0EL.

Group Finance Director

Industrial Distribution Group

Bristol

c£25,000 + car + bonus

Our client is a well established industrial and wholesale distribution Group with subsidiaries throughout the UK and a turnover of approaching £50 million. Following a period of sustained expansion, the Group wishes to appoint an experienced Finance Director to the Group Board in Bristol.

The Group Finance Director will have complete responsibility for managing and developing all finance and data processing activities throughout the Group. Of particular importance will be the development of computer based management information systems.

This new position within the Group will require close liaison with other Board members and senior manage-

ment in advising upon acquisitions, diversifications and funding requirements, and generally contributing to the overall management of the Group.

The successful applicant will be a qualified accountant in the 35-40 age range with considerable financial line management experience preferably gained in distribution or industrial wholesaling activities. Familiarity with all aspects of UK accounting and taxation requirements is essential. Emphasis will also be placed upon candidates experience in managing and developing data processing functions within commercial organisations.

This is an exceptional career opportunity for an ambitious man or

woman with a proven record of financial line management success at a senior level. The attractive negotiable remuneration package includes a level of benefits commensurate with this level of management appointment.

Candidates should write, in confidence, enclosing full career details and current remuneration package to:

Jeremy Pakenham, quoting Ref: MCS/9854 at

Executive Selection Division

Price Waterhouse

Management Consultants

Clifton Heights

Triangle West

Bristol

BS8 1EB

Price Waterhouse



ON TARGET FOR GREATER CHALLENGE

Financial Planning and Analysis Manager

c£15,000 + Car

Manns Northampton Brewery Company Limited, part of Watney Mann and Truman Brewers, are forward-looking and highly successful. Our enviable record of growth and long-term plans affords an excellent career opportunity for a Financial Planning and Analysis Manager (male or female).

Reporting to the Financial Director and responsible for a small team, you will furnish all management information necessary for the Company to meet targeted profit objectives. Appraisal of capital projects - including post audits, interface with departmental heads and the preparation of budgets and forecasts for review are all functions of this exacting post. A highly numerate, fully qualified Accountant with sound management experience, you must be able to communicate effectively at all levels and demonstrate outstanding leadership qualities.

We are offering the kind of salary and benefits package, including prestige car, which reflects both the standing of our company and the seniority of this post, together with excellent prospects for still further career development.

If you have the qualities vital for this post, then write, with full c.v., to Chris Pollard, Resourcing and Development Manager, Manns Northampton Brewery Company Limited, P.O. Box 22, Lodge Way, Harlestone Road, Northampton NN5 7UU.

MANNS NORTHAMPTON BREWERY CO. LTD.

A thriving, profitable Manufacturer of Microcomputer Systems is appointing a

FINANCE DIRECTOR COMPUTER INDUSTRY

Salary c. £35,000 plus stock options

Our Client is going through a period of expansion having made a considerable impact in his particular sector of industry with a new product which has attracted much attention and new business. His turnover is currently about £11 million.

Applications are invited from ambitious Qualified Accountants with experience heading the finance and management accounting functions of a company known for its procedures and controls and engaged in the flow line manufacture of relatively high value electronic products. It is envisaged that the new member of the Board will have a breadth of interest outside accounting which will probably be indicated by a Degree or an additional qualification. Experience in handling a flotation would be useful.

The Management Team are all in their 30's and it is envisaged that the new Finance Director will fit into this age bracket.

Please send full details, mentioning reference FX to:

Christopher Gold

Executive Dynamics

Management Search & Selection Consultants

Finlay House, 140/142 High Street, Birmingham, M6 2AT

This vacancy is open to male and female applicants. No details will be passed to our client without prior permission.

FINANCE MANAGER

The Felixstowe Dock & Railway Company is under contract to manage and continue to develop the Port of Fujairah on behalf of the Government of Fujairah. We are seeking to recruit an able Finance Manager to join a highly professional multi-disciplined team to head up the accounts function and provide top-level financial expertise to both the General Manager and the Fujairah government in respect of the port undertaking. The successful appointee will be expected to develop budgets and corporate plans, undertake cash flow management and capital expenditure appraisal and control. Experience of computer-based systems is

essential as is the ability to monitor performance against planned targets.

The position calls for a broadly experienced ACA, ACCA or ACMA preferably with experience in a developing country.

For our part we can offer a one year contract which can be extended subject to renewal of the principal contract. The tax-free package includes an excellent salary and bonus amounting to circa £25,000, free single/family accommodation, company car, educational allowance and other benefits normally associated with a position of this nature.

Candidates who believe they can meet the above criteria should telephone for an application form which must be returned with a comprehensive CV to:

Secretary to Chief of Personnel, Port of Felixstowe, Room 309, European House, The Dock, Felixstowe, Suffolk, IP11 8TB. Tel. (0394) 604647 (direct line)

Port of Felixstowe



Chief Accountant

c£16,000 plus Bonus & Car

East Anglia

The Ben Hogan Company of Texas USA, are opening a sales, marketing and distribution operation within the UK to handle their range of golf products.

Working with the Managing Director, the successful candidate will ultimately be responsible for the development of the total accountancy and administration of the new operation including budgets, budgetary control, and management information systems.

Ambitious applicants, ideally in their 30's, should be qualified accountants with financial and industrial/commercial experience.

An attractive remuneration package and potential to develop with a new operation are offered.

Full CV to Stewart Kemp

PER, Norfolk Tower, Surrey Street, Norwich, (0603) 617426.



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Hogan

THE DRIVING FORCE

EXPANSION

A highly visible role within a diverse, rapidly expanding UK group. Initially working at the centre, the Management Accountant will be responsible for assessing business performance, budget preparation, management reporting and ad hoc board reports. This key appointment offers considerable commercial involvement and a direct route to a Financial Directorship with an operating company. Would suit an exceptional young accountant with senior management potential. Ref: JC

C. LONDON £22,000 + Car

CONTROLLER

Backed by the substantial resources of a world wide group, this international trading company continues to experience an exceptional rate of growth. This highly commercial role carries responsibility for bank negotiations relating to new projects, currency dealings and monitoring and controlling overseas operations. Applicants should ideally be qualified ACAs with international accounting experience and the ability to operate in a progressive commercial environment. Ref: CW

W. LONDON c.£20,000 + Car

ANALYSIS MGR

This household name US high-tech company, heavily diversified, requires an aggressive self-starter, 28-35, for this senior planning role. Actively developing the company's long and short term forecasting and related strategies, preparing cash flow, market and computer analysis, you will also examine product line and sales strategies. This highly visible position will lead to a line role within 18 months. Ref: GP

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Cigna Corporation, a Philadelphia-based multinational, is a leading provider of insurance and financial services through a worldwide network of subsidiary and affiliated companies. Presently the Cigna Corporate Audit Department is seeking to fill both senior and staff positions to meet the opportunities presented by the continuing expansion of its progressive U.K. operations.

These are highly visible positions and applicants must be able to communicate with senior management whilst retaining a "hands on" approach to auditing. It is likely the successful applicant will be ACA, ACCA or ACMA and have gained experience of modern auditing techniques either within the profession or a progressive internal audit department. Preference will be given to candidates who have experience or can demonstrate a working knowledge of the general insurance industry and U.S. reporting.

Please write, with curriculum vitae, to:

Mrs. G. Toms - Manager - Human Resources, CIGNA, Cigna House, 8 Lime Street, London, EC3M 7NA.

BUSINESS LAW

Liability for a sick pet skunk

BY DERRICK OWLES

WE ALL know about product liability. It is, we would say, the liability for harm caused by a defective product. This is a simple statement. It is, however, a complex one. American courts have been answering ever since strict liability came on the scene nearly 25 years ago. For example, what is a product?

A product is something we expect to recognise. Usually, there is no difficulty. It is something manufactured, and its nature is self-evident. However, the law has a habit of creating difficulties where none appears to exist. What of animals? They are bought and sold, are objects of commerce, but when we see a dog coming towards us we do not say "Look at that product!"

Even if it is growling with evident malice, we do not think that we are facing a defective product and will have a claim under strict liability if we are bitten. The point came before an Illinois court 10 years ago. A newly-acquired dog bit a child and the pet shop was sued: the dog was defective in manners and training, but the court said it was not a product. However, the reasoning was not entirely convincing: the dog could not be a product, the court said, because it was not fixed in its nature and could have changed since it was sold.

In June this year an Oregon court felt able to disregard the Illinois decision. It held that a skunk was a product for the purpose of strict liability. A pet shop had sold the skunk to a family which intended to keep it as a pet. In the event, the intention was frustrated. The skunk was infected with rabies, and two members of the family were given anti-rabies injections. Each was awarded \$20,000 damages for the resultant pain and suffering.

A third member of the family was not given an injection because in his case the risk of an adverse reaction was too great. The court said it would not award damages in the absence of physical harm. That refusal illustrates one limit on product liability claims imposed by some courts. Different courts take different views on whether damages are too remote to justify a remedy.

This is probably the first time a skunk has played a lead

ing role in a product liability case, but it is not the first time animals have appeared, usually in a secondary role. Mice, for example, have featured in bottles of soft drink. Snails appear less frequently and have not achieved the fame of the Scottish snail that was believed to have made his home in a ginger-beer bottle. But in all these cases the mouse (or whatever) is the contaminating agent, and it is not often that the animal appears as a product in its own right.

Another source of difficulty for the U.S. courts has been electricity. For example, considerable damage was caused when a high-voltage current was fed into a house. The court held, under Wisconsin law, that the electricity was a defective product. But the past is still catching up with us, and the courts have yet to settle all the asbestos litigation that has been a prominent feature of the 1980s. An action for compensation for harm caused by asbestos is perhaps more properly based on negligence than on strict liability in tort, but even so there have been thousands of claims under product liability. The tragedy is that the dangers of asbestos were not suspected for so many years and some courts have held that claims were barred by statutes of limitation.

Usually state law bars a tort action after six years from the date when the cause of action arose. But the courts have not agreed on when a cause of action arises. Is it the date of injury or the date when the injury is discovered? Most courts prefer the "discovery rule" which does not cut off a plaintiff's remedy before he knew he had suffered an injury. A manufacturer can then find himself paying compensation for harm caused by a product sold in the distant past.

The number of asbestos claims has been such and some of the awards have been so large that the adequacy of the tort system has been put in doubt. Legal arguments are not needed when the public interest has been aroused, and most people believe that asbestos victims are entitled to compensation, no matter what the law might say. Manufacturers and insurers have therefore set up and

financed an independent organisation to settle asbestos claims.

The largest manufacturer, however, Johns-Manville, has not joined in this co-operative effort to by-pass the legal system. One reason is that Johns-Manville has pointed the way to another solution, the Federal Bankruptcy Act. Under what is known as Chapter 11 of that Act a corporation in financial difficulties can put itself under the protection of the Bankruptcy Court while its financial affairs are being put in order.

Johns-Manville is claiming that the cost of asbestos legislation threatens its existence as a trading company. The result is that further legal actions will have to wait until the corporation comes "out of Chapter 11." The lawyers naturally do not like it, but without it the greed of some plaintiffs could well strip the cupboard bare and leave nothing for others. Of course, the manufacturers have insurance, but policy limits can soon be reached. The conclusion is that the fault system is not suitable for mass tort litigation.

Some states have product liability legislation that protects manufacturers to some extent, but these statutes do nothing to provide compensation for victims of defective products. They merely take away some of the benefits of strict liability as administered by the courts.

The same is more or less true of the federal product liability Bill that may well be passed by Congress in its current session. It may resolve some of the differences between the various state laws, but does not address the real problem, which is: "How should society compensate those who are injured by a defective product?" At present a manufacturer's best defence is probably poverty.

In the words of one lawyer, "Nobody climbs a tree when there are no apples." * *Whitman v. Schultz*, Illinois, 831 NE 2d 115, 1985.

* *Sease v. Taylor's Pets*, Oregon, Court of Appeals, June 5 1985.

* *Ransome v. Wisconsin Electric Power Co.*, 278 NW 2d 641, 1979.

* *Kemp v. Wisconsin Electric Power Co.*, 722 NW 2d 161, 1980.

The author is senior fellow of Gresham College, an affiliate of the City University

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| and subsidiaries | | 01-280 222 | |
|------------------|-------|------------|-----|
| 5 | 10.65 | +8.20 | 6.1 |
| 20 | 10.65 | | 1.2 |
| 9 | 34.80 | 0534 7477 | 1.6 |
| 20 | 28.20 | +0.65 | 1.2 |
| 12 | 12.00 | | 0.6 |
| 11.00 | | | 1.4 |
| 25.00 | | | 1.2 |
| 25.10 | | | 1.4 |
| (1) | 19.80 | -0.00 | - |
| | 19.80 | -0.01 | - |
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| | | |
|---------------|-----------|------|
| | +0.01 | - |
| 0534 74715 | +0.31 | - |
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| (Mersey) Ltd. | | |
| 0534 71460 | | |
| 109 Ord | -1.18 | M |
| g Kong | | |
| 6.65 | -- | 0.3 |
| 3.87 | -- | 4.2 |
| 12.45 | -- | 4.2 |
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| Ltd | | |
| | 0481 2746 | |
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SA

et

| | |
|-----------|---------------------------|
| Act | Gr. Expense CAR Int Cr |
| | 01-588 1615 |
| | : : 3-999 |
| | 01-236 0952 |
| H 70 | 12 907 none |
| H 66 | 12 254 (auto) |
| ement Ltd | |
| | 01-236 1425 |
| H 76 | 12 907 0-100% |
| H 27 | 12 186 0-100% |
| | 0 911 0-100% |
| H 24 | 11 24 3 times |

| Net | Gr Equip | LN | Int Cr |
|------|--------------|-----|--------|
| OF | 031-225 8484 | | |
| 8.00 | 11.93 | Gr | |
| | 01-638 6079 | | |
| 8.41 | 12.28 | Gr | |
| 8.35 | 12.56 | Int | |
| | 01-628 8060 | | |
| 8.20 | 12.38 | Int | |
| | 0604 25291 | | |
| 0.29 | 12.32 | Gr | |

| | | | | |
|-------------|-------|-------|-------|-------|
| 01-588 2777 | 12.34 | 10.41 | 10.41 | 10.41 |
| 01-248 3999 | 12.34 | 10.41 | 10.41 | 10.41 |
| 01-748 9253 | 12.34 | 10.41 | 10.41 | 10.41 |
| 0603 862271 | 12.34 | 10.41 | 10.41 | 10.41 |

| | | | |
|-----------|-------------|--------|-------|
| 8.5% | 01-631 3313 | 12.9% | Mar |
| 8.2% | 01-628 8060 | 12.1% | Apr |
| 8.2% | 01-626 1500 | 12.1% | Qtr |
| 8.5% | 01-409 3434 | 12.28% | - |
| 8.31% | 0245 51651 | 12.3% | Early |
| 742 20999 | 11.9% | 8655 | |
| 8.3% | 12.4% | Qtr | |

| | |
|--------------|--|
| 031-928 9011 | |
| 031-557 0201 | |
| 0708 66966 | |
| 0772 732241 | |
| 0750 827733 | |
| 0752 24141 | |

estimated and those of \$2 billion, respectively, leaving a gap of \$1 billion. In today's prices, estimated by today's rate of US dollars, the US Congress provided all expenses except interest on the national debt, plus the cost of the military, to be paid by the federal government, and the rest by the states.

| | |
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| S | |
| rates | |
| Spencer | 13 |
| Bk | 35 |
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| Ord | 35 |
| | 60 |
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| | |
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| | 24 |
| | 34 |
| | 12 |
| | 9 1/2 |
| | 90 |
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| | 24 |
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| | 5 |
| | 55 |
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| 12 | 12 |
| 40 | 12 |
| 50 | 50 |

is given on the
Report Page.

COMMODITIES AND AGRICULTURE

Gloomy outlook for copper industry

BY ANDREW GOWERS

NEW SUPPLIES of copper, which fell well short of demand last year and this, are likely to be in substantial surplus by 1987 as a result of increasing production and stagnant consumption, according to an annual review of the world copper industry published yesterday by traders Shearson Lehman Brothers.

The study paints a gloomy picture for copper prices over the next few years, and represents a marked reversal of the bullish forecasts for copper that were being floated this time last year.

Prices have been hovering between 62 and 65 U.S. cents per pound in the past two years, and Shearson, even assuming that there will be a further gradual weakening in the value of the dollar against other currencies, does not see them rising much above 70 cents between now and 1987.

"Prices are unlikely to be able to sustain a level in excess of 75 cents a pound because heavy hedge selling is expected to emerge in any rally to the 70-80 cent area," the report says. "The

majority of producers would be quite content to 'lock in' a year's forward sales if prices reached that level.

"They may even consider reopening mines currently closed if they could hedge their forward sales for a long enough period at those levels."

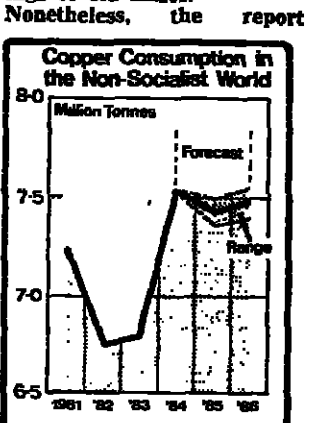
Although stocks held in official warehouses of the London Metal Exchange are expected to fall substantially later this year as consumers draw down metal to supplement their normal supplies, the overriding impression given by the report is of a growing tension of imbalance between production and consumption.

Despite current weak prices, output is expected to rise by 1.1 per cent to nearly 6.4m tonnes this year, and is forecast to reach 6.5m tonnes in 1986 as more new mines come on stream or reach full production.

Mining companies have been able to maintain or boost production despite low prices because of a range of measures to cut costs, such as the suspension of exploration and development activi-

ties, reductions in wage costs and overheads and increasing use of sophisticated leaching operations to improve copper recovery rates from the tailings of old mines.

Nonetheless, the report



stresses that the North American producers, and in particular those in the U.S., remain most vulnerable to low returns from copper—although the U.S. market share does seem to have stabilised for the time being, having fallen sharply since 1981.

Chile is still the most competitive producer, and Third World producers in general are likely to maintain their edge primarily by devaluing their currencies under International Monetary Fund tutelage. Secondary production is also expected to rise this year and next.

On the demand side, Shearson believes the prospects are "not particularly bright," with consumption expected to fall about 1.7 per cent this year, mainly as a result of the economic slowdown in the OECD countries. Consumption in Japan and the U.S. seems particularly poor, trailing well behind its 1984 level.

A degree of recovery is, however, forecast for 1986 before a further fall in the following year.

In general, copper remains under threat from other materials, such as aluminium, titanium, optical fibres and plastics.

Annual Review of the World Copper Industry 1985, 75 from Shearson Lehman Brothers, Peninsula House, 36 Monument Street, London, EC3.

Sunshine Mining to close London trading office

By Mary Frings in Dallas

DALLAS-based Sunshine Mining Company has announced that it is pulling out of coffee, soft commodities and non-precious metals trading and is closing its London office with the loss of 35 jobs.

Sunshine has concluded that these commodity operations are not consistent with its long-term strategy, which is built around integrated precious metals production and oil and gas production and exploration, according to a company spokesman in Dallas.

At the end of July Sunshine concluded a \$300m acquisition of Woods Petroleum Corporation of Oklahoma City, an independent oil and gas exploration and production company with concessions in the U.S. and Canada.

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U.S. Representatives pass their version of Farm Bill

BY NANCY DUNNE IN WASHINGTON

A WEARY House of Representatives fought off all proposals to curtail production drastically and passed a 1985 Farm Bill on Tuesday night.

The five-year bill gives the Administration the "market orientation" it requested, but the opportunity to slash loan supports, but it will cost billions of dollars to do so. Although nothing in the Bill will prevent the bankruptcy of thousands of farmers in the coming year, the House insisted on preserving income supports at current levels to protect producers not already heavily in debt.

The measure, based on numerous compromises, sets a complicated formula of loan supports, which could drop automatically 5 per cent a year from the average of three previous years and could then be cut another 20 per cent by the Agriculture Secretary. Under the House formula, 1985 price supports for wheat, corn and soybeans would be reduced by 5 per cent.

The Senate has yet to vote on its own version of the Farm Bill, and the differences between them must then be ironed out in a Congressional conference.

The Administration had hoped to reduce sugar price supports made by the general accounting office (GAO).

conceivably drop as low as \$2.51 per bushel.

However, the lower the Secretary drops the price supports, the more the Government will have to pay those farmers who take land out of production and participate in the "target price" scheme. This guarantees producers \$4.00 per bushel of wheat and \$3.03 per bushel of corn, with the difference paid in subsidies.

The Government Budget Office estimates the cost of subsidies and loans at about \$44bn over the next three years, but Larry Speakes said Wednesday that the Administration has "dollars and policy problems" with the Bill.

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by Congressmen worried about their farm constituents. "The key word is survival," said Mr. Kilka, chairman of the House Representative Committee—survival for both the farmers and the Republican Congressmen who joined with Democrats in ignoring White House pleas for budgetary considerations.

The legislation contains a provision which mandates that 50 per cent of all food aid or subsidised sales be carried on U.S. ships. It sets aside a minimum \$5bn in commercial short-term export credits in the 1986 fiscal year, plus at least \$325m for direct export loans.

The Bill also mandates a payment-in-kind export grant programme. The current scheme of this type, instituted last May by Mr. John Block, the Agriculture Secretary, was denounced as a "miserable failure" in hearings on Tuesday by grain exporters and the general accounting office (GAO).

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LONDON MARKETS

COPPER LED a general decline in base metals prices on the London Metal Exchange yesterday as sterling recovered earlier losses against the dollar. The cash higher grade position ended the day at \$2.50 down to \$2.48 a tonne. Dealers said the market appeared to have lost its recent firmer trend without testing upward resistance levels. They thought a support point of a few pounds below yesterday's closing level might soon come under pressure. Despite the presence of support buying on behalf of the International Tin Agreement buffer stock cash standard grade tin closed \$3.50 lower at \$2,777.50 a tonne. Trade selling pushed zinc values sharply lower before they saw into industrial support buying. The cash quotation ended \$17 down at \$4,623.50 a tonne.

LME price supplied by Amalgamated Metal Trading.

Annual Review of the World Copper Industry 1985, 75 from Shearson Lehman Brothers, Peninsula House, 36 Monument Street, London, EC3.

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INDICES

FINANCIAL TIMES
Oct 9 '85 Oct 9 '85
281.48 289.94 288.04 286.85
(Base: July 1 1982=100)

REUTERS
Oct 9 '85 Oct 9 '85
1705.5 1701.6 1708.9 1688.6
(Base: September 19 1981=100)

DOW JONES
Oct 9 '85 Oct 9 '85
Spot 115.32 114.76 115.04 114.58
(Base: December 31 1981=100)

MAIN PRICE CHANGES
In tonnes unless otherwise stated.
Oct 9 '85 Oct 9 '85

METALS
Aluminium \$1100 \$1090
Free Mtl \$1045.50 \$1046.50
Copper \$2.48 \$2.50
Lead \$2.48 \$2.50
Nickel \$2.48 \$2.50
Silver \$2.48 \$2.50
Tin \$2.48 \$2.50
Zinc \$2.48 \$2.50

GRAINS
Barley \$1.00 \$1.01
Corn \$1.00 \$1.01
Soybeans \$1.00 \$1.01
Wheat \$1.00 \$1.01

COFFEE
Arabica \$1.00 \$1.01
Robusta \$1.00 \$1.01

COCAOA
Cocoa \$1.00 \$1.01

NICKEL
Nickel \$1.00 \$1.01

TIN
Tin \$1.00 \$1.01

ZINC
Zinc \$1.00 \$1.01

GOLD
Gold \$1.00 \$1.01

SILVER
Silver \$1.00 \$1.01

PLATINUM
Platinum \$1.00 \$1.01

PALLADIUM
Palladium \$1.00 \$1.01

RUDDER
Rudder \$1.00 \$1.01

INDUSTRIALS—Continued

PROPERTY—Continued

| | Yr's | Yr's | Yr's | Yr's | Yr's | Yr's | Yr's | Yr's | Yr's |
|-----|--------|-------|--------|------|------|------|------|------|------|
| | Net | Net | Net | Net | Net | Net | Net | Net | Net |
| | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
| 222 | 105.23 | 73.15 | 184.15 | 228 | 136 | 82 | 226 | 179 | 43 |
| 223 | 105.23 | 73.15 | 184.15 | 229 | 136 | 82 | 227 | 179 | 43 |
| 224 | 105.23 | 73.15 | 184.15 | 230 | 136 | 82 | 228 | 179 | 43 |
| 225 | 105.23 | 73.15 | 184.15 | 231 | 136 | 82 | 229 | 179 | 43 |
| 226 | 105.23 | 73.15 | 184.15 | 232 | 136 | 82 | 230 | 179 | 43 |
| 227 | 105.23 | 73.15 | 184.15 | 233 | 136 | 82 | 231 | 179 | 43 |
| 228 | 105.23 | 73.15 | 184.15 | 234 | 136 | 82 | 232 | 179 | 43 |
| 229 | 105.23 | 73.15 | 184.15 | 235 | 136 | 82 | 233 | 179 | 43 |
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| 237 | 105.23 | 73.15 | 184.15 | 243 | 136 | 82 | 241 | 179 | 43 |
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| 341 | 105.23 | 73.15 | 184.15 | 347 | 136 | 82 | 345 | 179 | 43 |
| 342 | 105.23 | 73.15 | 184.15 | 348 | 136 | 82 | 346 | 179 | 43 |
| 343 | 105.23 | 73.15 | 184.15 | 349 | 136 | 82 | 347 | 179 | 43 |
| 344 | 105.23 | 73.15 | 184.15 | 350 | 136 | 82 | 348 | 179 | 43 |
| 345 | 105.23 | 73.15 | 184.15 | 351 | 136 | 82 | 349 | 179 | 43 |
| 346 | 105.23 | 73.15 | 184.15 | 352 | 136 | 82 | 350 | 179 | 43 |
| 347 | 105.23 | 73.15 | 184.15 | 353 | 136 | 82 | 351 | 179 | 43 |
| 348 | 105.23 | 73.15 | 184.15 | 354 | 136 | 82 | 352 | 179 | 43 |
| 349 | 105.23 | 73.15 | 184.15 | 355 | 136 | 82 | 353 | 179 | 43 |
| 350 | 105.23 | 73.15 | 184.15 | 356 | 136 | 82 | 354 | 179 | 43 |
| 351 | 105.23 | 73.15 | 184.15 | 357 | 136 | 82 | 355 | 179 | 43 |
| 352 | 105.23 | 73.15 | 184.15 | 358 | 136 | 82 | 356 | 179 | 43 |
| 353 | 105.23 | 73.15 | 184.15 | 359 | 136 | 82 | 357 | 179 | 43 |
| 354 | 105.23 | 73.15 | 184.15 | 360 | 136 | 82 | 358 | 179 | 43 |
| 355 | 105.23 | 73.15 | 184.15 | 361 | 136 | 82 | 359 | 179 | 43 |
| 356 | 105.23 | 73.15 | | | | | | | |

PROPERTY—Continued

| INVESTMENT TRUSTS—Cont. | | | | | | | | | | FINANCE | | |
|-------------------------|--------------------|--------|-------|-------|------|---------|-------|------------------|-------|---------|--|--|
| | Stock | Assets | Liab. | Net | Yld. | 30 Days | Stock | Assets | Liab. | Yld. | | |
| 232 | Dreyfus Japan Int. | 405 | + | 42.91 | 12 | 100 | 51 | De G. & G. Corp. | 795 | 120 | | |
| 233 | Dreyfus Premier | 420 | + | 44.12 | 12 | 130 | 114 | Maiden Inv. 100 | 225 | 120 | | |
| 234 | Dreyfus Int. Sts. | 61 | + | 9.98 | 10 | 126 | 122 | Mercantile Trust | 252 | 120 | | |
| 235 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 236 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 237 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 238 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 239 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 240 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 241 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 242 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 243 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 244 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 245 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 246 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 247 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 248 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 249 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 250 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 251 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 252 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 253 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 254 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 255 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 256 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 257 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 258 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 259 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 260 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 261 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 262 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 263 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 264 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 265 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 266 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 267 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 268 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 269 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 270 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 271 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 272 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 273 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 274 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 275 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 276 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 277 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 278 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 279 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 280 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 281 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 282 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 283 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 284 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 285 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 286 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 287 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 288 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 289 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 290 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 291 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 292 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 293 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 294 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 295 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 296 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 297 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 298 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 299 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 300 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 301 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 302 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 303 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 304 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 305 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 306 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 307 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 308 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 309 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 310 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 311 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 312 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 313 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 314 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 315 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 316 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 317 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 318 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 319 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 320 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 321 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 322 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 323 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 324 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 325 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 326 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 327 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 328 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 329 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 330 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 331 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 332 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 333 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 334 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 335 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 336 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 337 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 338 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 339 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 340 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 341 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 342 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 343 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 344 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 345 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
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| 350 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 351 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 352 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 353 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 354 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 355 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 356 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 357 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 358 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 359 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 360 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 361 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 362 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 363 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 364 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 365 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | 252 | 120 | | |
| 366 | Dreyfus World | 120 | + | 12.12 | 12 | 130 | 114 | Mercantile Trust | | | | |

INVESTMENT TRUSTS—Cont.

[illegible]

| —Cont. | | MINES—Continued | | | | |
|--------|------|-----------------|------|------|------|------|
| UNIT | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 |
| 1 | 100 | 100 | 100 | 100 | 100 | 100 |
| 2 | 100 | 100 | 100 | 100 | 100 | 100 |
| 3 | 100 | 100 | 100 | 100 | 100 | 100 |
| 4 | 100 | 100 | 100 | 100 | 100 | 100 |
| 5 | 100 | 100 | 100 | 100 | 100 | 100 |
| 6 | 100 | 100 | 100 | 100 | 100 | 100 |
| 7 | 100 | 100 | 100 | 100 | 100 | 100 |
| 8 | 100 | 100 | 100 | 100 | 100 | 100 |
| 9 | 100 | 100 | 100 | 100 | 100 | 100 |
| 10 | 100 | 100 | 100 | 100 | 100 | 100 |
| 11 | 100 | 100 | 100 | 100 | 100 | 100 |
| 12 | 100 | 100 | 100 | 100 | 100 | 100 |
| 13 | 100 | 100 | 100 | 100 | 100 | 100 |
| 14 | 100 | 100 | 100 | 100 | 100 | 100 |
| 15 | 100 | 100 | 100 | 100 | 100 | 100 |
| 16 | 100 | 100 | 100 | 100 | 100 | 100 |
| 17 | 100 | 100 | 100 | 100 | 100 | 100 |
| 18 | 100 | 100 | 100 | 100 | 100 | 100 |
| 19 | 100 | 100 | 100 | 100 | 100 | 100 |
| 20 | 100 | 100 | 100 | 100 | 100 | 100 |
| 21 | 100 | 100 | 100 | 100 | 100 | 100 |
| 22 | 100 | 100 | 100 | 100 | 100 | 100 |
| 23 | 100 | 100 | 100 | 100 | 100 | 100 |
| 24 | 100 | 100 | 100 | 100 | 100 | 100 |
| 25 | 100 | 100 | 100 | 100 | 100 | 100 |
| 26 | 100 | 100 | 100 | 100 | 100 | 100 |
| 27 | 100 | 100 | 100 | 100 | 100 | 100 |
| 28 | 100 | 100 | 100 | 100 | 100 | 100 |
| 29 | 100 | 100 | 100 | 100 | 100 | 100 |
| 30 | 100 | 100 | 100 | 100 | 100 | 100 |
| 31 | 100 | 100 | 100 | 100 | 100 | 100 |
| 32 | 100 | 100 | 100 | 100 | 100 | 100 |
| 33 | 100 | 100 | 100 | 100 | 100 | 100 |
| 34 | 100 | 100 | 100 | 100 | 100 | 100 |
| 35 | 100 | 100 | 100 | 100 | 100 | 100 |
| 36 | 100 | 100 | 100 | 100 | 100 | 100 |
| 37 | 100 | 100 | 100 | 100 | 100 | 100 |
| 38 | 100 | 100 | 100 | 100 | 100 | 100 |
| 39 | 100 | 100 | 100 | 100 | 100 | 100 |
| 40 | 100 | 100 | 100 | 100 | 100 | 100 |
| 41 | 100 | 100 | 100 | 100 | 100 | 100 |
| 42 | 100 | 100 | 100 | 100 | 100 | 100 |
| 43 | 100 | 100 | 100 | 100 | 100 | 100 |
| 44 | 100 | 100 | 100 | 100 | 100 | 100 |
| 45 | 100 | 100 | 100 | 100 | 100 | 100 |
| 46 | 100 | 100 | 100 | 100 | 100 | 100 |
| 47 | 100 | 100 | 100 | 100 | 100 | 100 |
| 48 | 100 | 100 | 100 | 100 | 100 | 100 |
| 49 | 100 | 100 | 100 | 100 | 100 | 100 |
| 50 | 100 | 100 | 100 | 100 | 100 | 100 |
| 51 | 100 | 100 | 100 | 100 | 100 | 100 |
| 52 | 100 | 100 | 100 | 100 | 100 | 100 |
| 53 | 100 | 100 | 100 | 100 | 100 | 100 |
| 54 | 100 | 100 | 100 | 100 | 100 | 100 |
| 55 | 100 | 100 | 100 | 100 | 100 | 100 |
| 56 | 100 | 100 | 100 | 100 | 100 | 100 |
| 57 | 100 | 100 | 100 | 100 | 100 | 100 |
| 58 | 100 | 100 | 100 | 100 | 1 | |

[illegible]

LONDON STOCK EXCHANGE

MARKET REPORT

Equities prove resilient and recover early losses
Bae and Westland feature

Account Dealing Dates

Option

First Declared Last Account

Dealing Dates Dealing Day

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Willis Faber & 704p

Among recently-issued

equities, printers St Ives

attracted fresh support

and moved up 22

to 380p.

Breweries were irregular.

Allied-Lyons continued to

give ground and close 5 off

at 280p awaiting further

developments concerning

the anticipated takeover

of Regional counters, on

the other hand, attracted

selective speculative

support. Wellverhampton

and Deasid were prominent

and advanced 10 to 378p,

while Vaux, the subject

of a broker's lunch, put

on a couple of pence to

365p. Buyers also returned

to Greenall Whitley which

touched 198p before

settling a net 3 dearer

at 194p amid talk that

the company is set to make

a sizeable acquisition.

Relatively few movements

in the leaders were

illustrated by the

Financial Times Ordinary

share index which at its

worst of the day recorded

a fall of only 2.5 and

closed 0.2 down on

balance at 1007.0.

Of the sectors, Property

shares again did well

while Banks also traded

firmly helped by a

broker's favourable

review of the sector.

Secondary

breweries were noteworthy

for a revival of takeover

speculation. Despite the

overall lack of

trade, individual features

were fairly numerous.

Prominent

among these were British

Aeroplane, which

responded smartly to

news of the expected

aircraft order worth

a total of around £200m

from India.

Banks firm

Government securities

appeared to shrug aside

the disappointing

supply figures, with

quotations improving a

fraction throughout the

day. However, there

were few signs of

any revival of investment

activity, the day's

trading being largely

routine.

The major clearing

banks made a bright

showing following

press comment highlighting

a broker's view that

the U.S. strategy on

solving the third

world's debt problems

may prove effective.

Buyers came in

for Barclay's 6 better

at 383p, and NatWest,

which improved 5 to

418p and 3 Midland

hardened 3 to 393p.

Life insurance

companies were in

demand despite

confirmation that

the Government was

reconsidering

the plan to scrap

SERPS. Support

was forthcoming

from most issues

with Prudential 12

highest at 700p. Legal

and General 6 dearer

at 684p and London

and Manchester 10

to the good at 782p.

Lloyd's brokers

attracted early

support and moved

FINANCIAL TIMES STOCK INDICES

| | Oct 9 | Oct 8 | Oct 7 | Oct 6 | Oct 5 | Oct 4 | Oct 3 | Oct 2 | Oct 1 | Year ago |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|
| Government Secs | 84.08 | 84.02 | 84.16 | 84.51 | 84.08 | 84.08 | 84.08 | 84.08 | 84.08 | 84.08 |
| Fixed Interest | 88.86 | 88.86 | 88.86 | 88.86 | 88.86 | 88.86 | 88.86 | 88.86 | 88.86 | 88.86 |
| Ordinary Y | 1007.0 | 1007.2 | 1012.4 | 1015.5 | 1010.8 | 1012.5 | 886.8 | 886.8 | 886.8 | 886.8 |
| Gold Mines | 88.86 | 88.86 | 88.86 | 88.86 | 88.86 | 88.86 | 88.86 | 88.86 | 88.86 | 88.86 |
| Ord. Div. Yield | 4.71 | 4.72 | 4.71 | 4.69 | 4.71 | 4.69 | 4.69 | 4.69 | 4.69 | 4.69 |
| Earnings, Yr. % | 11.54 | 11.52 | 11.52 | 11.47 | 11.52 | 11.52 | 11.52 | 11.52 | 11.52 | 11.52 |
| P/E Ratio (mth) | 10.72 | 10.72 | 10.72 | 10.72 | 10.72 | 10.72 | 10.72 | 10.72 | 10.72 | 10.72 |
| Total Balance (Est.) | 30,548 | 31,818 | 31,718 | 31,189 | 30,792 | 31,299 | 18,949 | 18,949 | 18,949 | 18,949 |
| Equity turnover (mth) | 513.95 | 548.14 | 411.11 | 411.76 | 496.81 | 376.67 | 376.67 | 376.67 | 376.67 | 376.67 |
| Equity bargains | 18,770 | 18,881 | 18,797 | 18,618 | 18,197 | 16,450 | 16,450 | 16,450 | 16,450 | 16,450 |
| Shares traded (mth) | 170.7 | 179.5 | 209.5 | 223.8 | 211.4 | 252.8 | 252.8 | 252.8 | 252.8 | 252.8 |

10 am 1004.5, 11 am 1004.7, Noon 1005.8, 1 pm 1006.5, 2 pm 1007.5, 3 pm 1008.5, 4 pm 1007.4.

Day's High 1007.8, Day's Low 1006.8.

Basic 100 Govt. Secs. 10/10/85, Fixed Int. 10/10/85, Ordinary 10/10/85.

Gold Mines 12/9/85, SE Activity 1974.

Latest index 01-246 8028.

*Nil = 10.34.

HIGHS AND LOWS S.E. ACTIVITY

| | 1985 | Since Completion | Oct 9 | Oct 8 | Oct 7 |
|-------------|--------|------------------|--------|--------|--------|
| Govt. Secs. | 84.08 | 84.02 | 84.16 | 84.51 | 84.08 |
| Fixed Int. | 88.86 | 88.86 | 88.86 | 88.86 | 88.86 |
| Ordinary | 1007.0 | 1007.2 | 1012.4 | 1015.5 | 1010.8 |
| Gold Mines | 88.86 | 88.86 | 88.86 | 88.86 | 88.86 |

Thorn EMI, currently involved in negotiations for the sale of its 46 per cent stake in Thames Television to Carlton Communications, dipped 7 more to 357p.

Elsewhere, profit-taking clipped 4 from Amstar at 138p. Norbair gave up 15 for a two-day fall of 50 at 215p, while CPU Computer shed 3 to 27p.

International Signal and Control, on the other hand found steady support and advanced 8 to a 1985 peak of 330p.

Westland raced ahead to 83p before closing at 81p following a report that the Indian Government is about to sanction the purchase of Westland W30 helicopters in a deal worth around £65m.

Elsewhere in Engineering, Vickers were persistently bought and settled 10 to the good at 300p, while T1 hardened a few pence to 290p.

A number of second-line issues attracted speculative demand after hours, most notably Noble and Land which jumped 6 to 37p amid rumours of an increased offer from Gild Investments.

MS International, where Mr A. Snipe recently sold his entire holding of 5m-plus shares, advanced 6 to 55p, while Triplex were a

similar amount better at 50p. Braway, on the other hand, eased 3 to 60p on news of the proposed £12m rights issue in the ratio of one for three at 55p a share.

A broker's profits downgrading unsettled Tate and Lyle which shed 7 for a two-day fall of 17 to 473p, while Northern Foods again lacked support and lost 4 more to 288p.

Argyll slipped to 325p prior to closing unchanged at 325p following reports that the group was to press ahead with its £150m bid for Distillers, a couple of pence dearer at 420p, after 423p.

Elsewhere in the Food sector, Albert Fisher firmed 4 to 123p, largely reflecting the efforts of a single buyer, while Hazlewood advanced 20 to 730p in a restricted market.

Metal Box good again

Buyers in the miscellaneous industrial sector again favoured Metal Box which rose 17 for a two-day gain of 32 to 512p.

The Aerospace revived strongly on reports that the group was close to securing an agreement with India and touched a year's high of 440p.

Following reports that Merrill Lynch intends to exercise its option to buy the consumer foods and pigments division of SCM Corporation in an effort to block Hanson's 57p per share tender offer.

Elsewhere, European Ferries attracted speculative buying on hopes connected with its Denver property subsidiary and rose 6 to 138p.

G. W. Sparrow added 3 to 69p, after rejecting BET's bid. BET were a firm which rose 13 to 335p.

Johnston Group put on 15 to 240p in reply to the better-than-expected interim results, but William Sinclair settled 2 cheaper at 141p.

Following the annual results, news of the board dispute sparked interest in old takeover favourite LBC International which added a couple of pence to 138p.

Jaguar traded actively amid

rumours that the company is seeking a full listing in New York and closed 13 higher at 285p.

Components also took up a firmer stance with Lucas 8 dearer at 385p and AE 2 better at 133p.

Home Counties Newspapers remained firm and dipped to 110p before settling 5 down on balance at 113p; the shares have fallen 43 since the announcement last Friday of disappointing interim results and the closure of three local titles.

The Property sector remained distinctly firm. Land Securities firmed 3 to a year's high of 317p, while BEPC rose 4 to 418p.

Slough Estates attracted buyers at 185p, up 3 and Hamerson "A" hardened 5 to 465p.

London and Edinburgh were a strong market following comment on the results and gained 18 to 358p.

Palmerston Investment moved up 50 to 475p in a restricted market.

Among

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Continued on Page 4

AMEX COMPOSITE CLOSING PRICES

| Stock | Dr | P/E | Sh | 100s | High | Low | Class | Change | Stock | Dr | P/E | Sh | 100s | High | Low | Class | Change | Stock | Dr | P/E | Sh | 100s | High | Low | Class | Change | Stock | Dr | P/E | Sh | 100s | High | Low | Class | Change |
|--------|----|-----|----|------|------|-----|-------|--------|--------|------|-----|----|------|------|-----|-------|--------|-------|----|-----|----|------|------|-----|-------|--------|-------|----|-----|----|------|------|-----|-------|--------|
| Acq'n | | | | | | | | | Cover | | | | | | | | | Int'l | | | | | | | | | Ragen | 12 | 44 | 11 | 187 | 185 | | | |
| Adobe | 16 | 17 | 18 | 20 | 22 | 24 | 26 | 28 | Crypt | 10 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | Radio | 72 | 25 | 26 | 27 | 28 | 29 | 30 | Radio | 72 | 25 | 26 | 27 | 28 | 29 | 30 | | |
| Airbus | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | Cube | 38 | 11 | 77 | 21 | 20 | 21 | 22 | 23 | Rand | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Rand | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | Curtis | 38 | 11 | 77 | 21 | 20 | 21 | 22 | 23 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | Ran | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | |
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| Alcoa | 28 | 13 | 88 | 17 | 17 | 17 | 17 | 17 | D | 22</ | | | | | | | | | | | | | | | | | | | | | | | | | |

Nasdaq national market closing prices

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THE NETHERLANDS

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FINANCIAL TIMES

WORLD STOCK MARKETS

WALL STREET

Advances amid confusion

THE CONFUSION surrounding the U.S. Treasury's financing plans and the Senate's delay in approving the increased federal debt ceiling failed to upset the Wall Street stock markets yesterday, writes Terry Byland in New York.

In the credit markets, short-term rates edged higher as the Treasury proceeded with its planned sale of \$5bn in cash management bills, and Mr James Baker, Treasury Secretary, warned Congress that the federal Government's cash balance would be negative by the close of business yesterday.

Taking its cue from a renewed burst of takeover speculation in the food industry sector, the stock market moved forward, led by technology, airline and oil shares. However, the broader market remained sluggish, and gains in the leaders were trimmed at mid-session.

A gain of 5 Dow points was whittled away by profit-takers towards the close of the session. The Dow Jones Industrial average ended a net 1.23 points up at 1,326.72. Turnover, although boosted by the speculative stocks, remained moderate, at \$9.9m shares.

The short-term credit sector was in confusion as it waited for the Senate to vote on budget reform and then on the debt ceiling extension. However, the Treasury's auction of cash management bills was completed satisfactorily after

the Federal Reserve had announced that these bills would rank as "regular U.S. Treasury bills," even if they had to be sold under the authority of the Federal Financing Bank.

The list of active stocks on the New York Stock Exchange was headed by two takeover favourites. Beatrice Foods jumped \$1 to \$43 1/4, with more than 5m shares turned over, as the market continued to predict a management buyout or a bid from outside the industry.

Hard on its heels was ITT, up 3/4 to \$34 1/4, also in heavy trading, and despite firm rejections from the company of any impending bid.

Most recent takeover favourites in the food sector were also active. Quaker Oats ended 3/4 down at \$55 after rising to \$61, Sara Lee gained \$1 1/4 to \$45 1/4 and Kraft, the Tupperware-to-processed cheese group, joined the list with a gain of \$1 1/4 to \$36 1/4.

An upturn in technology issues was trimmed at mid-session, when Digital Equipment was off the top with a 3/4 gain at \$104. At \$124 1/4, IBM was finally 5/4 down in modest trading. Honeywell was 5/4 up at \$80 1/4 and Burroughs eased 3/4 to reach \$53 1/4. Control Data, another recent weak spot, added 5/4 to \$18 1/4.

Airlines responded both to bargain-hunting among the major names and to continued bid speculation elsewhere. United at \$48 1/4 were 1 1/4 higher, but turnover was thin.

Northwest Air, still looking for a takeover, added 5/4 to \$55 1/4. On the American Stock Exchange, Ozark jumped \$1 to \$12 1/4. Frontier Holdings added \$2 to \$22 1/4 on the surprise offer of \$24 a share from People Express, outbidding Texas Air.

Good results from Abbott Laboratories lifted the stock 3/4 to \$53 1/4, but other health-care stocks remained nervous. Hospital Corporation of America at \$29

gave up 5/4, awaiting confirmation of last week's profit warning from the board.

In consumer issues, Whirlpool eased \$1 to \$45 after the quarterly profits statement. The department store stocks were mostly firmer, led by Federated Department, up \$1 to \$58.

Raytheon gained 3/4 to \$47 1/4 on the trading statement. Defence and aerospace stocks rallied from the selling of the previous session, General Dynamics recouping 3/4 to \$67 1/4.

In the credit markets, federal funds were forced above 8 per cent once more as the weekly banking settlement struggled with the constrictions imposed on cash balances by the confusion over the Treasury financing plans.

Intervention by the Fed, with \$1.58bn in customer repurchases when funds touched 8 per cent, was of little avail.

Bonds, which will face their problems when the debt ceiling clearance opens the door for huge Treasury sales of medium and long-dated securities, moved nervously around overnight levels. Retail interest was largely absent.

EUROPE

Reduced foreign presence

PROFIT-TAKERS chose yesterday as the moment to cream off the advantage accrued from the Frankfurt bourse's recent advances, dragging many leading stocks down from their peaks.

Foreign institutions which have been the driving force behind the market's strength stayed on the sidelines, creating hesitation among their domestic equivalents and providing a signal to sell for private investors.

Analysts saw the departure of foreign capital as temporary while an assessment is made of the market's future course following the rapid improvement. Price movements were generally small but were sufficient to clip 6.4 from the Commerzbank index, leaving it at 1,589.5.

All sectors, with the exception of retailers, were subject to selling, with automotive and electricals on the steepest decline.

News that West German retail sales rose 3.4 per cent during August pushed buyers into the sector, with Karstadt under most demand as it firmed DM 8 to DM 277 while Kaufhof added DM 1 to DM 318.

Although Daimler started the session stronger, it came back to end 50 pfgr lower at DM 988.50 while BMW fell DM 9 to DM 485 and VW eased DM 2.80 to DM 329.50.

Siemens felt the brunt of most selling among electricals, ending DM 8.50 lower at DM 607, and high-tech issue Nixdorf came under pressure, ending DM 1.50 down at DM 571.50.

The absence of foreign interest was particularly marked in the banking sector, leaving the way clear for a progressive decline among those issues best supported in recent sessions.

BHF slid DM 10 to DM 362, Deutsche DM 10.50 to DM 662 and Commerzbank DM 6.40 to DM 238.50.

In the bond market, the Bundesbank bought DM 79.7m worth of domestic paper, following Tuesday's purchase of DM 231.9m. Bond prices again fell.

Amsterdam attracted the attention of international investors who have been demonstrating increasing interest in the market during recent weeks.

Amro stood out among banks, advancing Ft 10.50 to Ft 83.60 while insurance stocks were led higher by Agnion which added a further Ft 5.10 to Ft 93.80.

Improvements among the internationalists were relatively modest but provided a clear indication of the market's underlying strength. Unilever added Ft 3.50 to Ft 323.50 while Philips firmed 40 cents to Ft 76.20 and Royal Dutch Ft 1.30 to Ft 180.20.

Banks were at the centre of demand in Zurich as a broad slice of stocks firmed in stronger trading.

Credit Suisse followed its recent improvements with a SwFr 35 increase to SwFr 2,920 while Swiss Volksbank added SwFr 25 to SwFr 2,035 and Swiss Bank SwFr 5 to SwFr 473.

Nestlé continued to advance with an SwFr 65 rise to SwFr 1,475, and Jacobs Suchard encountered further investor backing to close SwFr 75 higher at SwFr 7,375.

Concern about the outcome of the Belgian general election served to instil caution for the second consecutive day during trading in Brussels.

Most selling came from profit-takers who have been behind the market rise in recent weeks, and the switch to the defensive came after indications that support was slipping for the centre-right coalition Government.

Losses were heaviest in the financial holding company sector. Société Générale led the way with a Bfr 65 slide to Bfr 1,875, and Groupe Bruxelles Lambert dropped Bfr 70 to Bfr 2,140.

Paris was mixed to higher in moderate activity as buyers returned after last week's general decline.

Peugeot was a feature of a firmer automotive sector, adding Ffr 13 to Ffr 374.

Milan edged lower, with Fiat losing ground in the wake of the company's announcement that joint-venture talks with Ford had been abandoned. Fiat closed Lit 38 lower at Lit 4,756.

Madrid prices were lower, and Stockholm slipped in dull trading.

TOKYO

Blue chips sparked by electricals

BLUE CHIPS, led by major electricals, scored big gains in Tokyo yesterday, writes Shigeo Nishikawa of Jiji Press.

However, large capital stocks, in demand by institutional investors until last week, were neglected.

The Nikkei-Dow market average registered its fifth consecutive increase of 21.99 to 12,857.20. Trading was active, with volume rising from 383.2m shares on Tuesday to 426.9m. Declines outnumbered advances 399 to 383, with 157 issues unchanged.

Analysts remain bullish on the outlook for large-capital stocks despite their retreat from prominence in recent sessions.

They point to the yen's swift advance during the past two weeks against the dollar, which, it is felt, will act to push interest lower and clear the way for a return of buyer interest.

Nippon Steel, Mitsubishi Heavy Industries and Tokyo Power Electric are singled out as having the largest potential upside.

The popularity of blue chips apparently stemmed from hopes that the rapid strengthening of the yen against the dollar had quelled U.S. criticism of Japan and that slower profit growth due to sluggish semiconductor demand had been discounted by the market.

Toshiba was the busiest stock, with 28.1m shares changing hands as it rose Y15 to Y391. Mitsubishi Electric, with 14.3m shares traded, added Y5 to Y377, and Hitachi closed Y16 higher at Y694.

The performance of these major electricals was based on sharp rises in their convertible bond prices on the Tokyo Stock Exchange, as some institutional investors with surplus funds shifted their focus from stocks.

The rise prompted demand for other blue chip electricals and precision instrument groups. Fujitsu rose Y22 to Y982, and NEC and Fuji Photo added Y40 to Y1,060 and Y2,050, respectively. Canon was up Y50 to Y1,110.

However, many market analysts doubt the climb in blue chips will last long because the business environment surrounding them is improving slowly.

Analysts believe investors sought blue chips as a stopgap while large-capital and budget-affected issues eased.

Among large-capitals, Nippon Steel was active but its turnover of 18.9m shares was well down on the early October levels. It lost Y3 to Y193, while Mitsubishi Heavy Industries shed Y11 to Y447. Tokyo Electric Power dropped Y30 to Y2,600 and Tokyo Gas Y8 to Y310.

Many constructions lost ground, with Taisei Corp finishing Y5 lower at Y405. But Sekisui Chemical remained firm, adding Y28 to Y682.

Daikin Pharmaceutical declined Y80 to Y3,070 followed by other biotechnology stocks. Minobea, which rose on Tuesday on unconfirmed reports of a planned takeover bid by a British company, came under selling pressure, shedding Y48 to Y757.

Active trading by dealers depressed the yield on the 6.8 per cent government bond maturing in December 1994 from 5.555 per cent to 5.500 per cent at mid-session.

Selling increased later as the yen dipped against the dollar and the yield closed at 5.535 per cent. Yields on other bonds rose in the absence of buying.

LONDON

DULL TRADING in London left the FT Ordinary index little changed at 1,007.0, down 0.2 on the previous session.

However, despite worries about the outlook for interest rates, leading shares proved resilient and managed to recover early losses.

An exception was Hanson Trust which finished the day 5p down at 205p in view of the uncertainty over the outcome of its latest offer for SCM, the New York conglomerate.

Prominent among a number of features were British Aerospace, which firmed 12p to 437p, and Westland, which added 14p to 81p on hopes of a £220m aircraft export order from India.

Elsewhere, European Ferries climbed 6 1/2p to 138 1/2p, Jaguar was up 13p at 285p, Metal Box added 17p to 512p, Gabcic firmed 14p to 108p and London & Edinburgh Trust was up 18p at 35p.

Losers included C.H. Beazer, down 6p to 56p.

Chief price changes, Page 39; Details, Page 38; Share information service, Page 36-37.

HONG KONG

PROFIT-TAKING continued in Hong Kong, pulling the Hang Seng index back below the 1,600 level breached on Monday. It closed 18.54 lower at 1,587.99 in relatively quiet trading.

The decline in properties continued after their rally earlier this week sparked by the bid for International City Holdings by Hutchison Whampoa and Hongkong Electric.

Hutchison fell 70 cents to HK\$26.20 and HK Electric was down 50 cents to HK\$8.00.

Cheung Kong shed 20 cents to HK\$18.5, SHK was down 10 cents to HK\$12.70 and ICH was unchanged at 97 cents.

Elsewhere, Hang Seng Bank was down 50 cents to HK\$41.50, Jardine Matheson was unchanged at HK\$12.20 and Swire Pacific shed 10 cents to HK\$24.70.

SINGAPORE

BARGAIN-HUNTERS and speculators gave a fillip to Singapore where the Straits Times industrial index added 4.15 to 764.87. Turnover in moderately active trading was 18.4m, compared with 18.8m on Tuesday.

Most active stock was Arab Malaysia Development which added 15 cents to S\$1.07. Other active inclusions included Pahang which shed 2 cents to S\$55.5 and Raleigh which gained 16 cents to S\$3.76.

Banks closed mixed with DBS up 5 cents to S\$5.35, Malay Banking down 5 cents to S\$5.65 and OCBC also down 5 cents to S\$5.15.

Elsewhere Keppel Shipyard gained 1 cent to S\$1.21, Genting was unchanged at S\$6.65 and Singapore Press added 1 cent to S\$6.10.

SOUTH AFRICA

THE LACK of any clear leads left South Africa mixed. Golds followed the trend, with Buffels 25 cents firmer at R7.75 but Winkelsbaak down 50 cents to R51.50.

Other mining and mining financials were firmer. Rustenburg Platinum added 9 cents to R22, and diamond share De Beers was 15 cents up at R12.40 while Anglo American closed steady at R32.50.

Elsewhere AE & CI was steady at R7.80, Barlow Rand firmed 5 cents to R11.10 and Barclays Bank was steady at R17.50 while Nedbank shed 4 cents to R11.50 and Tongaat Hulets lost 5 cents to R2.20.

AUSTRALIA

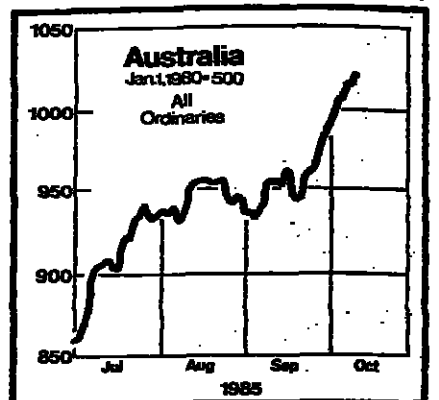
Resources fuel climb to record

FRESH heights were scaled in Sydney yesterday, again led by oil and gas stocks.

Industrial stocks were also strong, and the All Ordinaries index closed 6.6 up at 1,023.6 - the fourth successive rise and the ninth in 10 days' trading.

Turnover nationally was 80.3m - compared with the previous session's 51.7m - and gains outpaced falls 263 to 206.

Resources were boosted after Oil Search released impressive drilling reports from its Mananda 3X well in Papua New Guinea. It soared 19 cents to 88 cents while Santos added 15 cents to



AS\$5.80, Vamgas put on 7 cents to AS\$3.70 and Bridge Oil was up 3 cents to AS\$2.45.

Among market leaders BHP was up 6 cents to AS\$8.50 after profit-taking took its toll on Tuesday. Peko Options added 6 cents to AS\$5.90 and CSR firmed 7 cents to AS\$3.70.

Moving against the firmer trend was Bell Group, which eased 2 cents to AS\$11.40 - after forging ahead earlier this week on news of its acquisition of 10.95 per cent of BHP.

Media stocks helped lead the gains in the industrial sector, and News Corporation ended the day 6 cents up at AS\$7.70.

Solid support was also seen for banks. National Australia was steady at AS\$4.62, Westpac gained 2 cents to AS\$5.12 and ANZ was steady at AS\$5.14.

Elsewhere, Myer Emporium was steady at AS\$3.80, Boral was 2 cents higher at AS\$3.42, Mayne Nickless added 5 cents to AS\$3.40, Dunlop Olympic firmed 2 cents to AS\$2.52 and Pioneer Concrete was up 8 cents at AS\$2.48. However, James Hardie lost 5 cents to AS\$3.70.

Golds and mines were generally easier. Falls of 1 cent each were registered by MIM, at AS\$2.54, Poseidon, at AS\$3.90, and Western Mining, at AS\$3.84.

CANADA

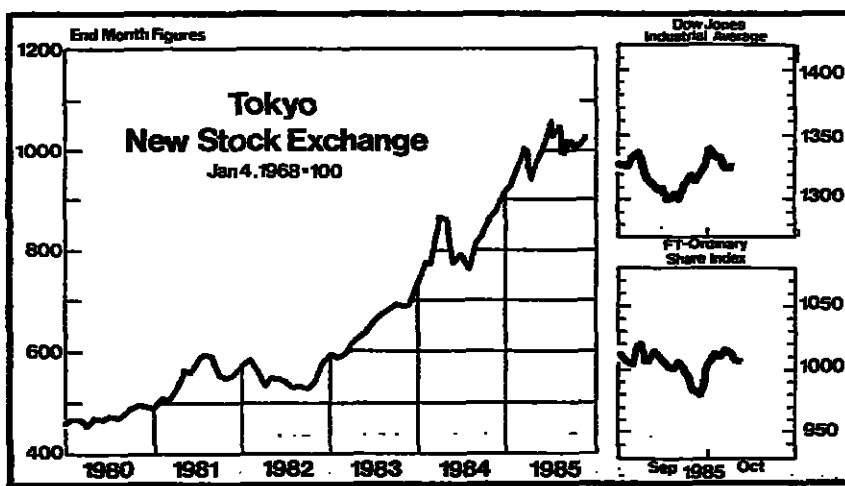
FIRMER golds and utilities helped Toronto to edge upwards in moderately active trading.

Northern Telecom traded C\$3 1/2 up to C\$4 1/2 on its announcement of a data network system contract from Barclays Bank. Bell Canada, which owns 52 per cent of Northern Telecom, was also C\$ 1/2 firmer at C\$41 1/2.

Elsewhere, Campbell Red Lake traded C\$ 1/2 higher at C\$32 1/2, Royal Bank of Canada added C\$ 1/4 to C\$30 1/4, Bank of British Columbia shed 10 cents to C\$4.65 and Canadian Pacific added C\$ 1/4 to C\$16 1/4.

In Montreal industrials, utilities and banks traded largely unchanged.

KEY MARKET MONITORS



| STOCK MARKET INDICES | Oct 9 | Previous | Year ago |
|----------------------|----------|----------|----------|
| NEW YORK | | | |
| DJ Industrials | 1,326.72 | 1,325.49 | 1,175.13 |
| DJ Transport | 642.55 | 640.80 | 538.48 |
| DJ Utilities | 154.08 | 153.57 | 135.18 |
| S&P Composite | 182.52 | 181.67 | 161.67 |

| LONDON | Oct 9 | Previous | Year ago |
|----------------|---------|----------|----------|
| FT-100 | 1,007.0 | 1,007.2 | 896.8 |
| FT-A All-share | 635.79 | 633.53 | 534.98 |
| FT-A 500 | 696.63 | 694.52 | 591.35 |
| FT Gold mines | 290.2 | 285.2 | 555.9 |
| FT-A Long gilt | 10.20 | 10.20 | 10.35 |

| TOKYO | Oct 9 | Previous | Year ago |
|------------|----------|-----------|----------|
| Nikkei-Dow | 12,857.2 | 12,835.21 | 10,668.7 |
| Tokyo 500 | 1,033.30 | 1,029.00 | 830.75 |

| AUSTRALIA | Oct 9 | Previous | Year ago |
|----------------|---------|----------|----------|
| All Ord. | 1,023.6 | 1,017.6 | 742.6 |
| Metals & Mins. | 529.9 | 529.2 | 448.6 |

| AUSTRIA | Oct 9 | Previous | Year ago |
|---------------|--------|----------|----------|
| Credit Aktien | 100.03 | 100.82 | 56.21 |

| BELGIUM | Oct 9 | Previous | Year ago |
|------------|----------|----------|----------|
| Belgian SE | 2,500.33 | 2,522.77 | - |

| CANADA | Oct 9 | Previous | Year ago |
|----------------|---------|----------|----------|
| Toronto | 1,850.8 | 1,845.3 | 1,833.0 |
| Metals & Mins. | 2,624.9 | 2,620.89 | 2,357.00 |
| Montreal | 127.24 | 127.22 | 115.32 |

| DENMARK | Oct 9 | Previous | Year ago |
|---------|-------|----------|----------|
| SE | n/a | 226.50 | 170.92 |

| FRANCE | Oct 9 | Previous | Year ago |
|---------------|-------|----------|----------|
| CAC Gen | 205.9 | 205.4 | 181.7 |
| Ind. Tendance | 116.2 | 115.5 | 97.2 |

| WEST GERMANY | Oct 9 | Previous | Year ago |
|--------------|---------|----------|----------|
| FAZ-Aldien | 543.78 | 544.92 | 366.73 |
| Commerzbank | 1,596.5 | 1,602.9 | 1,069.0 |

| HONG KONG | Oct 9 | Previous | Year ago |
|-----------|----------|----------|----------|
| Hang Seng | 1,587.99 | 1,606.53 | 982.38 |

| ITALY | Oct 9 | Previous | Year ago |
|------------|--------|----------|----------|
| Banca Com. | 408.94 | 413.33 | 210.73 |

| NETHERLANDS | Oct 9 | Previous | Year ago |
|-------------|-------|----------|----------|
| ANP-CBS Gen | 211.2 | 208.8 | 177.0 |
| ANP-CBS Ind | 185.5 | 183.5 | 138.3 |

| NORWAY | Oct 9 | Previous | Year ago |
|---------|--------|----------|----------|
| Oslo SE | 376.01 | 376.46 | 256.1 |

| SINGAPORE | Oct 9 | Previous | Year ago |
|---------------|--------|----------|----------|
| Straits Times | 764.87 | 760.72 | 856.59 |

| SOUTH AFRICA | Oct 9 | Previous | Year ago |
|-----------------|-------|----------|----------|
| JSE Golds | - | 1,047.4 | 1,014.3 |
| JSE Industrials | - | 974.1 | 858.4 |

| SPAIN | Oct 9 | Previous | Year ago |
|-----------|--------|----------|----------|
| Madrid SE | 116.21 | 115.75 | 109.05 |

| SWEDEN | Oct 9 | Previous | Year ago |
|--------|----------|----------|----------|
| J & P | 1,357.74 | 1,374.21 | 1,448.99 |

| SWITZERLAND | Oct 9 | Previous | Year ago |
|----------------|-------|----------|----------|
| Swiss Bank Ind | 484.7 | 480.6 | 373.5 |

| WORLD | Oct 8 | Prev | Year ago |
|---------------|-------|-------|----------|
| Capital Int'l | 223.1 | 223.1 | 181.0 |

| GOLD (per ounce) | Oct 9 | Prev | Year ago |
|------------------|----------|----------|----------|
| London | \$328.50 | \$328.25 | - |
| Zurich | \$326.55 | \$326.25 | - |
| Paris (fixing) | \$327.34 | \$328.14 | - |
| Luxembourg | \$327.00 | \$326.35 | - |
| New York (Dec) | \$329.00 | \$328.60 | - |

* Latest available figure

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